

Bharat Bijlee Limited

63rd Annual Report, 2009-10



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Financial Highlights

70608.64

Turnover (Rs. in Lakhs)

4122.35

Profit after Tax (Rs. in Lakhs)

25.00

Dividend paid per share (Rs.)

72.94

Earning per share (Rs.)

396.78

Book value per share (Rs.)



TRANSFORMERS



PROJECTS



ELEVATOR SYSTEMS



DRIVES



MOTORS



Letter from the Executive Director

Dear Shareholders,

Bharat Bijlee is in a phase of transition. Much has changed in the last 5 years. We are thankful to our people who have supported all initiatives and embraced new methods of work. We are now beginning to see the fruits of our SAP implementation and BPR initiative as tighter monetary controls and effective risk management will help us protect our assets better.

This past year has been a year of growth and consolidation for us. It has been a year of stabilizing our systems, processes, and controls. This is something that large successful multi-national corporations have perfected over the years. If we wish to maintain our pace of growth then we must do the same. This is imperative to manage growth in an efficient manner. However, this is a challenging task as it is a balancing act between building systems and controlling infrastructure cost. If we add too much too soon we will become cost heavy in the short run.

The competitive landscape for our businesses continues to drive us to manage our costs and improve productivity. A number of new players have entered the market and prices are competitive while material costs continue to threaten margins. The Government's plan to increase generation capacity is ambitious and although it does not meet its yearly targets, the completion rate is improving slowly. We are exploring various methods of increasing the range of our product offerings in the motor and transformer divisions in order to cater to market demand. We have also strengthened our projects division and this will be a new focus area for us.

The year has been fairly turbulent for the world with the Dubai sovereign debt crises and now Greece. The world's financial problems seem to have shifted to sovereign debt. As the European Union and IMF structure a bail out package for Greece the risk of contagion looms large. India it seems has not been affected so much by these events so far.

We look forward to the future with optimism as we execute our growth plans. Our efforts in improving process-efficiency will enable us to improve profitability, sustain growth, and stay competitive. Our corporate brand identity change is now complete with the recent revamp of our website. The efforts to increase brand equity and awareness are ongoing. Do visit us at www.bharatbijlee.com



Shome Danani
Executive Director

DIRECTORS

Mr. Bansi S. Mehta (Chairman)

Mr. Nikhil J. Danani
(Vice Chairman & Managing Director)

Mr. Nakul P. Mehta
(Vice Chairman & Managing Director)

Mr. Shome N. Danani
(Executive Director)

Mr. Jaisingh R. Danani

Mr. Mukul Harkisondass

Mr. Prakash V. Mehta

Mr. Anand J. Danani

Mr. Deepak S. Parekh
(Alternate to Mr. Anand J. Danani)

Mr. Sanjiv N. Shah

Mr. Jairaj C. Thacker

Mr. Meghendra Kumar

REGISTERED OFFICE

Electric Mansion, 6th Floor,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025
Tel. No. : 022-24306237
Fax No. : 022-24370624

WORKS

No. 2, MIDC,
Thane Belapur Road,
Airoli,
Navi Mumbai 400 708
Maharashtra.
Tel. No. : 022-27637200
Fax No. : 022-27637443

AUDITORS

Messrs Dalal & Shah

SOLICITORS

Messrs Malvi Ranchoddas & Co.

BANKERS

Bank of India
IDBI Bank Limited
Citibank N.A.
Standard Chartered Bank
HDFC Bank Ltd.

REGIONAL OFFICES**Northern Regional Office**

Milap Niketan, 4th Floor,
8-A, Bahadur Shah Zafar Marg,
New Delhi 110 002
Tel. No.: 011-23319694
Fax No.: 011-23319413

Western Regional Office

No. 2, MIDC,
Thane Belapur Road,
Airoli,
Navi Mumbai 400 708
Maharashtra.
Tel. No. : 022-27637200
Fax No. : 022-27637443

Eastern Regional Office

Mansarowar, 2nd Floor,
3B, Camac Street,
Kolkata 700 016
Tel. No.: 033-22172382
Fax No.: 033-22172467

Southern Regional Office

Ramanashree Chambers,
37, Lady Curzon Road,
Bangalore 560 001.
Tel. No.: 080-25592646
Fax No.: 080-25592823

**REGISTRAR & SHARE TRANSFER
AGENTS****Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg,
Bhandup (W),
Mumbai 400 078
Tel. No. : 022-25963838
Fax No. : 022-25946969

NOTICE

Notice is hereby given that the 63rd Annual General Meeting of Bharat Bijlee Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020 on Friday, 25th June, 2010 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Mukul Harkisondass, who retires by rotation and being eligible offers himself for re-appointment.
4. "RESOLVED that the vacancy arising due to the retirement of Mr. Meghendra Kumar by rotation, as Director of the company, who has expressed his unwillingness to be re-appointed, be not filled up for the time being".
5. To appoint a Director in place of Mr. Anand J Danani, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Dalal & Shah, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors and or its Audit Committee to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution :
"RESOLVED that in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Company held on 26th June, 2007, the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set

apart for any specific purpose, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs. 400,00,00,000 (Rupees Four Hundred Crores) at any time."

NOTES:

- A) **MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. INSTRUMENTS APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- B) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 21st June, 2010 to Friday, 25th June, 2010 (both days inclusive).
- C) The Profiles of the Directors being reappointed, Item Nos. 3, & 5 of the Notice as required under Clause No. 49 of the Listing Agreement with Stock Exchanges is annexed to this notice.
- D) As per the provision of Section 205A read with Section 205C of the Companies Act, 1956 a Company is required to transfer its dividends, debentures, bonds, redeemed preference shares, fixed deposits, interest on fixed deposits, interest on debentures etc. upto the financial year March 31, 1996 and onwards which remain unpaid or unclaimed for a period of 7 years to the Investor Education and Protection Fund set up by the Central Government. The Company has in compliance transferred all such unclaimed amounts upto the financial year 31st March, 2003 to the said fund. It may be noted that no claims will lie against the Company in respect of the said unclaimed amount(s) transferred to the said fund. Members who have not claimed the dividends declared for the Financial Year 31-3-2003 and onwards are requested to lodge their claim immediately with the Company's Registrar and Transfer Agents at the address mentioned in the Annual Report.
- E) The dividend, as recommended by the Board, if declared at the 63rd Annual General Meeting, will be paid after Friday 25th June, 2010 to those members whose names stand registered on the Company's Register of Members :

- a) as Beneficial owners as at the end of business on Saturday, 19th June, 2010 as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form.
- b) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before, Monday, 21st June, 2010.
- F) The Registrar and Transfer activity of shares held in physical and demat form continue to be carried out by our Registrars, M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, Phone No. 25963838.

The Register of Members continue to be maintained at the Registered Office of the Company.

- G) Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file nomination in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B, if not already filed.

The Equity Shares of the Company are listed on the following stock exchanges:

1. Bombay Stock Exchange Limited
Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
2. National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex,
Bandra, Mumbai 400 051

The listing fee for the period 1-4-2010 to 31-3-2011 to the above Exchanges has been paid.

REQUEST TO THE MEMBERS

1. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring the copy of the Annual Report to the Meeting.

3. Members who hold shares in the dematerialised form are requested to bring their Depository Account Number for identification.

By Order of the Board

D.N. NAGARKAR

Company Secretary & Senior General Manager :
Legal

Registered Office:

Electric Mansion, 6th Floor
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

Dated: 6th May, 2010

PROFILES OF DIRECTORS BEING REAPPOINTED AS REQUIRED BY CLAUSE 49 VI(G) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Item Nos. 3, & 5 of the Notice

Mr. Mukul Harkisondass :

Mr. Mukul Harkisondass has been a Director on the Board of the Company since 29th August, 1972. He has vast knowledge and experience in various fields including Merchant Banking, Finance and Regulatory Authorities. He is the Chairman of the Audit, Remuneration and Shareholder/Investor Grievance Committees and a member of the Share Transfer Committee of the Company. The Company has benefitted immensely by his expert advice over the years and has drawn strength from his experience and knowledge.

Mr. Harkisondass holds 500 equity shares in the Company.

Mr. Anand J. Danani

Mr. Anand J. Danani holds a degree in Commerce from the Mumbai University and a Masters Degree in Business Administration from U.S.A. He has vast knowledge and experience in the Banking and Finance industry and is an expert in Business Management & Marketing. He has been a Director on the Board of the Company since 23rd March, 1995.

Mr. Danani holds 46,650 equity shares representing 0.8% of the Issued and Subscribed Equity Share Capital of the Company.

Mr. Danani is related to Mr. J.R. Danani, Director, Mr. N.J. Danani, Vice Chairman & Managing Director and Mr. S.N. Danani, Executive Director.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 7 of the Notice**

By a resolution passed at the Annual General Meeting held on 26th June, 2007 the Board of Directors were authorised to borrow monies not exceeding Rs. 200 crores. With the growth of the Company's business, the borrowing of the Company is likely to exceed Rs. 200 crores in the near future. The Shareholders' consent pursuant to Section 293(1)(d) is sought keeping in view the likely requirement of funds for further growth of the business of the Company.

None of the Directors are concerned or interested in the Resolution.

By Order of the Board

D.N. NAGARKAR

Company Secretary & Senior General Manager:
Legal

Registered Office:

Electric Mansion, 6th Floor
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

Dated: 6th May, 2010

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors are pleased to present herewith the 63rd Annual Report of the Company together with Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

	Year Ended 31 st March 2010 (Rs. In Lakhs)	Year Ended 31 st March 2009 (Rs in lakhs)
Sales & Service	70608.64	60077.08
Less: Excise Duty	5094.35	5607.55
	65514.29	54469.53
Other Income	576.77	299.23
	66091.06	54768.76
Profit before Interest & financial Charges, Depreciation and Tax	7537.95	8499.68
Less: Interest & Financial charges	605.28	449.34
Less: Depreciation	836.71	708.38
Profit before Tax	6095.96	7341.96
Less: Provision for Taxes	2007.09	2555.86
Profit after Tax	4088.87	4786.10
Short / (Excess)	(33.48)	33.31
Provision of tax for earlier years		
Profit after Taxation	4122.35	4752.79
Add: Profit brought forward from previous year	2463.06	1363.28
Profit available for appropriation	6585.41	6116.07
APPROPRIATION :		
Proposed Equity Dividend	1412.89	1412.89
Tax on Proposed Equity Dividend	234.66	240.12
General Reserve	2000.00	2000.00
Profit Carried Forward	2937.86	2463.06

Previous year's figures have been regrouped for comparison purposes with current year's presentation wherever necessary.

DIVIDEND

The Directors recommend a Dividend of Rs. 25/- per Equity Share for the year ended 31st March, 2010 on 56,51,560 Equity Shares of Rs. 10/- each. The Dividend payout, including Dividend Tax of Rs. 234.66, will be Rs.1647.55 as compared to Rs. 1653.01 lakhs in the previous year.

OPERATIONS

Economic growth during the previous five years led to a very large build up of capacities, and made market conditions fiercely competitive during the year under review. The resulting adverse effect on price realizations, coupled with contracted demand during the first half of the year, affected margins of both Motors and Transformers.

Income from Sales and Services, at Rs. 706 Crores, grew by 17% (Rs. 105 Crores) over the previous year. However, PBT declined by 16% (Rs. 12 Crores) to Rs.61 Crores.

Large orders of higher ratings for Transformers, and increased sales of large Motors, contributed to the growth in turnover. Customer deliveries of Transformers aggregated to 12047 MVA (7850 MVA in the previous year), while sales of Motors were 789 MW (684 MW in the previous year)

Order inflow during the year was Rs. 650 Crores (618 Crores in the previous year), an improvement of 5%, and unexecuted orders at year-end were Rs. 387 Crores (392 Crores).

OTHER INITIATIVES

Upgrading and enhancement of 132 KV / 220 KV Transformer manufacturing facilities are planned during the year, as are replacement and upgrading of critical testing equipment. A facility for High Tension Traction Motors is also planned during the current year.

The Company intends to systematically strengthen the focus on the Projects business.

Gearless machines for elevators have found market acceptance, and a significant growth in sales is expected during the current year.

FINANCE

With continuous focus and monitoring of the working capital deployed in business operations, and systematic funds management, the Company was able to leverage substantially higher business volumes with a marginal increase in financing cost. After funding the incremental working capital gap and the capital expenditure, the financing cost (net of income from current investments) was Rs.3.66 crores, ie. 0.52% of sales, compared to 0.71% in the previous year.

As on 31st March, 2010, the Company had Fixed Deposits aggregating to Rs. 1871.86 lakhs. Out of the Fixed Deposits which matured for payment prior to 31st March, 2010, 31 deposits aggregating to Rs. 4.70 lakhs were neither renewed nor claimed till 31st March, 2010. Of these 2 deposits aggregating to Rs. 0.60 lakhs have since been renewed or refunded on receipt of requests from the deposit holders. The balance of 29 deposits aggregating to Rs. 4.10 lakhs have been neither claimed nor renewed till date of

this Report, in spite of the Company's intimation to the deposit holders. There has been no default or delay in meeting any maturity payment obligations.

During the year Rs. 0.56 lakhs was transferred to the Investor Education and Protection Fund.

HUMAN RESOURCES AND EMPLOYEE RELATIONS

The Company's Human Resources function is undergoing re-alignment so as to increase its contribution to the success of the Business, and to enhance the quality and efficiency of H.R. processes across the organization. Organisational and structural changes aligned to the Company's strategic intent are under review.

With a cordial work environment and a culture of harmonious Industrial Relations, there was no loss of man days during the year under review. The long term wage settlement which expired on 31st December 2008 is presently under negotiation.

The employee strength as at 31st March 2010 was 1298 compared to 1302 in the previous year.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with Auditor's Certificate on its compliance, is set out in Annexure "A".

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- i) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2010, and the profit for that period.
- iii) Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities.
- iv) The Directors have prepared Annual Accounts on going concern basis.

DIRECTORS

Mr. Mukul Harkisondass, Mr. Meghendra Kumar and Mr. Anand J. Danani retire by rotation at the ensuing Annual General Meeting. Mr. Mukul Harkisondass and Mr. Anand J. Danani being eligible

offer themselves for reappointment. However Mr. Meghendra Kumar has expressed his unwillingness to be re-appointed as Director. It is proposed not to fill up the vacancy created on retirement of Mr. Meghendra Kumar for the time being.

Information on the Directors eligible for reappointment as required under Clause 49 of the Listing Agreement with Stock Exchanges is disclosed in the profiles of the Directors under item Nos.3, and 5 forming part of the Notice dated 6th May, 2010 circulated along with the Annual Report 2009-10.

AUDITORS

M/s. Dalal & Shah, Auditors of the Company, retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. This item of business is covered under Item 6 of the accompanying notice.

COST AUDITORS

M/s. P. M. Nanabhoy & Co. has been appointed by the Board as Cost Auditors of the Company, for electric motors, for the Financial Year ending 31st March, 2011 subject to the approval of the Central Government.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956, read with Company's (Particulars of Employees) Rules, 1975, and forming part of this Report, are annexed to this Report. However, as per the provisions of Section 219 (1) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of the Company, excluding the Statement of Particulars of Employees. Any shareholder interested in the Particulars of Employees, may write to the Company Secretary at the Registered Office of the Company for a copy of the Statement.

Additional information as required by Department of Companies Affairs is presented on Page 12 of this Annual Report.

APPRECIATION

The Directors wish to place on record their appreciation to all the employees for their dedicated and spirited efforts in the results of the Company. The Directors also wish to place on record their appreciation for the confidence, support and co-operation received from Banks, Government Authorities, Share Holders, Suppliers and other Stake Holders during the year.

For and on behalf of the Board of Directors

Bansi S. Mehta
Chairman

Date :6th May 2010

ADDITIONAL INFORMATION

[In terms of Section 217 (1)(e) of the Companies Act, 1956 and Companies' (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988]

A. Conservation of Energy :

1) Measures :

- Installed 500kVAR capacitor bank and achieved power factor of $> = 0.99$
- Replaced conventional chokes of fluorescent tube light by electronic chokes
- Existing 4 cranes and winding machines were equipped with VF Drive
- Replaced conventional chokes for metal halide lamps by electronic chokes
- Transformer oil piping upgraded from 1^{1/2"} to 2^{1/2"} BSP
- Welding transformers replaced by welding inverters – 2 nos.
- Metal halide lamps of 150 W replaced by Energy efficient T5 Tube lights of 112 W on the shop floor
- A C Drives installed on compressor
- Timers fitted on water coolers

2) Impact of Measures :

- Energy conservation and saving
 - o Savings of 3% in monthly billing by improving power factor
 - o Energy Savings of approx. 10% in lighting and cranes
 - o Reduction in cycle time from 10 hrs to 5 hrs for oil filling
 - o Energy saving of 20% in welding transformer
 - o Energy saving of 10-15% in compressor consumption and lighting.
 - o Energy saving of 33% in shop floor lighting

3) Measures Planned :

- Energy savings in air conditioning load
- Energy savings in office lighting

B. Technology, Absorption, Adaptation and Innovation :

1) Efforts made :

- Use of CTC winding for 33kV Class
- T1 plant was upgraded for manufacturing of 50 MVA / 220 kV Class transformers

- Procured Articulated boom for testing department
- Separate 60T EOT crane for T1 Assembly section
- Existing Vacuum Drying Plant refurbished to achieve better drying results
- Procured new 6T EOT crane with additional hooklift for manufacturing of 220kV transformers
- PLC's retrofitted on several machines
- 400 and 450 frame size motors introduced, extending range upto 1000 kW, 690V
- Traction motor cooling blower and compressor motors developed and supplied to CLW for 3 phase locos

2) Benefits derived :

- Reduction in Cycle time in winding section
- Increase in manufacturing capacity
- Reduction in cycle time in Assembly section
- Quality improvement. Achieving higher PI value by oil impregnation process
- Modernization of old machines
- Can service the entire market for LT Motors
- Can supply every auxiliary motor used on latest generation of three phase locomotives

3) Technology imported during the last five years :

The Company has entered into a Technology Transfer Agreement with M/s. Permanent Magnets S.A., Spain, for manufacture and sale of Gearless Permanent Magnet Synchronous Motors.

C. Foreign Exchange earnings and outgo :

1) Export Activities :

Direct exports exported through registered Dealers to continue. Transformers have also been sold as deemed export to internationally aided projects. These orders were obtained against international competition.

2) Foreign Exchange earned :

	Rs. Lakhs
– Deemed exports	5552.77
– Direct Exports	199.12

3) Foreign Exchange used :

	1729.44
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CORPORATE GOVERNANCE REPORT - ANNEXURE A

1. Company's Philosophy on Corporate Governance:

Your Company since its inception is committed to maintain its value systems developed over the years of Corporate fairness, transparency, accountability, disclosures, ethical practices and creating long term value for its stake holders based on the assumption that value based governance is a management process evolved over time and constantly improved for the development of the Company and its stake holders.

The Company has implemented Clause 49 of the Listing Agreement in letter and spirit and has also framed policies as under :

- Code of Conduct for Directors and Senior Management
- Policy on Prohibition of Insider Trading which are effectively implemented.

2. Board Of Directors & Board Meetings :

a. Composition :

The Board of Directors has 12 Directors, of which one (1) is an Alternate Director. The Board consists of seven (7) Non-Executive Independent, two (2) Non-Executive and three (3) Executive Directors. The Chairman is an Independent Non-Executive Director. He is not a promoter nor related to promoters or to persons occupying management positions at Board level or at one level below the Board. The Non-Executive Directors account for 75% of the Board's strength against the minimum requirement of 50% as per the Listing Agreement. Independent Directors constitute more than half of the total strength of the Board as against one third required when the Chairman is a Non-Executive Director. The Non-Executive Directors are all eminent professionals with experience in overall management, finance and law and have a wide range of skills and experience. The day to day operations of the Company are overseen by three Executive Directors, Mr. Nikhil J. Danani, Mr. Nakul P. Mehta (Managing Directors), and Mr. Shome N. Danani (Executive Director).

Except Mr. Nikhil J. Danani, Mr. Nakul P. Mehta, Managing Directors and Mr. Shome N. Danani, Executive Director, all other Directors are liable to retire by rotation.

Mr. Jaising R. Danani, Mr. Nikhil J. Danani, Mr. Shome N. Danani and Mr. Anand J. Danani are related to each other. None of the other Directors are related to any other Director.

b. Board Meetings:

In the Financial Year 2009-2010, Five (5) Board of Directors' meetings were held on the following dates:

- 15th May, 2009,
- 2nd July, 2009
- 29th July, 2009
- 26th October, 2009
- 25th January, 2010

c. Attendance/Sitting fees of Directors:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at last AGM	No. of other Directorships	Membership of other Committees		Sitting Fees for Board/Committee meetings Rs.	No. of Equity Shares Held
						As Member	As Chairman		
1.	Mr. Banshi S. Mehta – Chairman	Independent Non-Executive	5	YES	15**	8@	5	50000	-
2.	Mr. Nikhil J. Danani – Managing Director	Executive	5	YES	1*	-	-	-	1,49,484
3.	Mr. Nakul P. Mehta- Managing Director	Executive	5	YES	2*	-	-	-	1,85,830
4.	Mr. Jaisingh R. Danani	Non-Executive	1	NO	-	-	-	20000	1,85,080
5.	Mr. Mukul Harkisondass	Independent Non-Executive	4	NO	1*	-	-	130000	500
6.	Mr. Prakash V. Mehta	Independent Non-Executive	5	YES	18*	7@@	1	150000	325
7.	Mr. Anand J. Danani	Non-Executive	-	NO	-	-	-	-	46,650
8.	Mr. Deepak S. Parekh – Alternate to Mr. A. J. Danani	Independent Non-Executive	3	NO	16\$	4***	5	30000	-
9.	Mr. Sanjiv N. Shah	Independent Non-Executive	3	YES	4*	2	-	70000	4,560
10.	Mr. Jairaj C. Thacker	Independent Non-Executive	4	YES	5*	-	-	90000	-
11.	Mr. Meghendra Kumar	Independent Non-Executive	3	NO	-	-	-	30000	-
12.	Mr. Shome N. Danani	Executive	5	YES	-	-	-	-	2,898
							Total	570000	

@ includes membership in Remuneration/Compensation committee in 3 companies.

@@ includes membership in Remuneration committees in 3 companies.

* Includes Directorship in Pvt. Ltd. companies.

** includes Alternate Directorship in 1 company.

*** Includes membership in 2 Remuneration Committees.

\$ includes Alternate Directorship in 4 companies

d. **Information placed before the Board:**

- Review of annual operating plans of businesses, capital budgets, and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meeting of Audit Committee and other committees.
- Information on recruitment and remuneration of senior officers including appointment or removal of the Chief Financial Officer and the Company Secretary just below the Board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations front.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of Directors is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings or are tabled before the appropriate Committees of the Board.

e. **Code of Conduct :**

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted on the website of the Company in terms of clause 49(D)(i) of the Listing Agreement with Stock Exchanges. The Managing Directors in terms of Clause 49(D)(ii) affirm the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mr. Nikhil J. Danani forms part of this report.

3. **Audit Committee:**

a. The Audit Committee of the Company comprises the following Five Members :

- | | | | |
|----|------------------------|----------|---------------------------|
| 1. | Mr. Mukul Harkisondass | Chairman | Independent Non-Executive |
| 2. | Mr. Prakash V. Mehta | Member | Independent Non-Executive |
| 3. | Mr. Jaisingh R. Danani | Member | Non-Executive |
| 4. | Mr. Sanjiv N. Shah | Member | Independent Non-Executive |
| 5. | Mr. Jairaj C. Thacker | Member | Independent Non-Executive |

All members of the Audit Committee are financially literate and Mr. Sanjiv N. Shah, a Chartered Accountant has the relevant accounting and related financial management expertise.

Mr. D.N. Nagarkar, Company Secretary is the Secretary of the Committee.

The Managing Directors, Vice President:Finance, Dy. General Manager:Internal Audit, and Senior General Manager: Finance attend the Audit Committee meetings by invitation. Statutory Auditors and Cost Auditors are also invited to attend the meetings.

b. Meetings & Attendance:

The Audit Committee had four (4) meetings during the Financial year 2009-10 and were held on the following dates :

1. 15th May, 2009
2. 29th July, 2009
3. 26th October, 2009
4. 25th January, 2010

Mr. Mukul Harkison Dass and Mr. Prakash V. Mehta were present in all the meetings.

Mr. Jairaj C. Thacker attended three (3) meetings , Mr. Sanjiv N. Shah attended two (2) meetings while Mr. Jaisingh R. Danani attended one (1) Meeting..

c. Power/Role/Review of Information of Audit Committee :

Clause 49 of the Listing Agreement lists the role of the Audit Committee.

The gist of the terms of reference are as follows:

- Oversee Company's financial reporting process and disclosures.
- Recommend statutory auditors appointment/reappointment/replacement/ removal/ remuneration and payment of fees for any other services rendered by them.
- Review with management the quarterly, half yearly and annual financial statements before submission to the Board, including disclosure of Related Party transactions.
- Review with the Management, performance of the Statutory and Internal Auditors.
- Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
- Discussion and review with internal auditors of any significant findings, suspected fraud, irregularity, failure of the Internal Control Systems and follow-up thereon
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion regarding areas of concern.
- Reviewing the Company's financial and risk-management process.
- Review defaults if any, in payments to depositors, debenture holders, shareholders (in case of non-payment of dividends) and creditors.
- Decide on recommendations/audit report findings to be placed before the Board.

The Audit Committee exercises its Powers as defined in Clause No. 49 II (C) as and when the need arises and also reviews all mandatory information as required under Clause 49 II (E) from time to time.

4. Remuneration Committee :

The Remuneration Committee of the Company comprises the following Four (4) Members

- | | | |
|----------------------------|----------|---------------------------|
| 1. Mr. Mukul Harkison Dass | Chairman | Independent Non-Executive |
| 2. Mr. Prakash V. Mehta | Member | -do- |
| 3. Mr. Sanjiv N. Shah | Member | -do- |
| 4. Mr. Jairaj C. Thacker | Member | -do- |

The Remuneration Committee meetings were held on :

1. 15th May, 2009
2. 29th January, 2010

Mr. Mukul Harkison Dass, Mr. Prakash V. Mehta, Mr. Sanjiv N. Shah and Mr. Jairaj C. Thacker were present in both the meetings.

The terms of reference of the Remuneration Committee are as under:

- i. To determine the remuneration package of Executive Directors, relatives of Directors appointed u/s 314 of the Companies Act, 1956 including salary, allowances, perquisites, payment of commission, pension rights,
- ii. To recommend and oversee employee stock option scheme.

iii. To recommend sitting fees of the Board of Directors

a. **Remuneration of Executive Directors:**

The total remuneration including commission payable to the Managing Directors/ Executive Director for the financial year 2009-2010 is as under:

(Rs.)

	Salary	Perquisites	Retiral Benefits	Commission Payable for the FY 2009-2010	Total
Mr. Nikhil J. Danani	60,00,000	58,17,973	19,25,000	1,14,33,600	2,51,76,573
Mr. Nakul P. Mehta	60,00,000	57,71,578	19,25,000	1,14,33,600	2,51,30,178
Mr. Shome N. Danani	27,00,000	27,00,000	8,66,250	75,13,000	1,37,79,250

Apart from sitting fees, the Non-Executive Directors are not paid any commission / remuneration.

5. **Shareholders'/Investors' Grievance Committee :**

The Shareholders'/Investors' Grievance Committee comprises the following four members:

- | | | |
|---------------------------|----------|---------------------------|
| 1. Mr. Mukul Harkisondass | Chairman | Independent Non-Executive |
| 2. Mr. Prakash V. Mehta | Member | Independent Non-Executive |
| 3. Mr. Nikhil J. Danani | Member | Executive Director |
| 4. Mr. Nakul P. Mehta | Member | Executive Director |

Mr. D.N. Nagarkar, Company Secretary, is the Secretary of the Committee. The Committee has met once, on 25th January, 2010, wherein all members were present. The total number of grievances redressed and reviewed by the Committee to the satisfaction of the shareholders was 35, most of them demat related. There were no requests for share transfer / transmission / deletions of names etc. pending as on 31st March, 2010 and all such requests were processed and delivered within one month (30 days) of lodgement with the company.

Mr. D.N. Nagarkar, Company Secretary has been designated as the Compliance Officer of the Company as per the requirement of the Listing Agreement.

a. **Terms of Reference:**

The Committee looks into redressing grievances of Shareholders pertaining to transfer of shares, non receipt of balance sheet, non receipt of dividend, dematerialisation of shares, complaints received from SEBI and the Stock Exchanges etc.

6. **Other Committees :**

The Company has also constituted a Committee of Directors to review progress and future plans of the Company and a Banking Committee to look into opening, closing and authorization for operating bank accounts of the Company.

The Board of Directors has also delegated the power of approving transfer/transmission/issue of duplicate share certificates to a Share Transfer Committee.

7. **Annual General Meetings :**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2008-2009	02-7-2009	3.00 p.m.	Walchand Hirachand Hall, 4 th Floor, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020
2007-2008	26-6-2008	4.00 p.m.	-do-
2006-2007	26-6-2007	4.00 p.m.	-do-

I Special Resolutions passed in the last three Annual General Meetings :

- a. Delisting of Securities (Equity Shares) from The Delhi Stock Exchange Association Ltd., New Delhi at the 60th Annual General Meeting held on 26.06.2007.

The Special Resolution moved at the aforesaid AGM was passed by a show of hands.

8. Disclosures :

- i. At every Board Meeting, the Directors disclose the names of the Companies / Parties in which they are interested, and accordingly the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed. All related party transactions are disclosed to the Board of Directors during each meeting. During the year there were no transactions of material nature with the Directors or the Management or relatives that had potential conflict with the interests of the Company.
- ii. Quarterly Disclosures – Results and notes thereon.
Risk Management – Risk identification, prioritization and mitigation plans for the top 20 risks have been finalized with the risk owners and Consultants (Ernst & Young), as reported earlier and the risk policy has been formulated.
A formal organization structure for risk management and monitoring process with reporting has been concluded in March 2010 and the implementation of risk mitigation plans have commenced.
- iii. There were no instances of non-compliance on any matter related to the Capital Markets, nor were any penalties or strictures imposed on the company by SEBI or any Stock Exchanges or any statutory authority for non-compliance on any matter related to the Capital Markets during the last 3 years.
- iv. No member of the Senior Management has a potential conflict with the interest of the Company at large relating to any material financial and commercial transaction.
- v. The Company affirms that no employee has been denied access to the Audit Committee.
- vi. The Company has complied with all mandatory requirements as stipulated in Clause 49 of the listing agreement with Stock Exchanges.
- vii. As regards the other non-mandatory requirements the Company has constituted a Remuneration Committee and has also moved towards a regime of unqualified statements. As regards whistle blower policy, the Board has taken cognizance of this and will consider adopting it as and when necessary.
- viii. The shares held by the promoters have not been pledged with any Banks, Financial Institutions or with any third party.

9. Communication to Shareholders :

- i. Quarterly/half yearly/annual results and information relating to convening of Board meetings/Annual General Meetings are published in Free Press Journal and Navshakti and are also notified to the Stock Exchanges as required under the Listing Agreement. Half yearly report is not sent to each shareholder in view of its publication in newspapers. As required by the Listing Agreement, the requisite information is transmitted through the EDIFAR System and through Corporate Filing and Dissemination System (CFDS). All such financial results are also posted on the Company website. The Stock Exchanges are also informed of all materially significant events which have taken place during the year under review.
- ii. The Company has made no presentation to any Institutional Investors / Analysts during the year.
- iii. Management Discussion and Analysis is covered as part of this Annual Report.
- iv. The Company has put in place a Model Code as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992 and all designated employees have disclosed their holdings and dealings in the shares of the Company and have been obtaining prior approval before dealing in shares in excess of the prescribed limit under the said code.
- v. The Company has its own website, www.bharatbijlee.com.
- vi. In terms of the revised Clause 49 of the Listing Agreement, the certification by the Managing Director and Vice President: Finance on the financial statements and internal controls relating to financial reporting has been obtained by the Board of Directors.

10. General Shareholders Information :**i. Annual General Meeting :**

Day : Friday

Date : 25th June, 2010

Time : 3.00 p.m.

Venue : Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020.

ii. Financial Year :

The Company follows April-March as its financial year. The results for every quarter are declared in the month following the quarter except for the quarter January-March, for which the Audited results are declared by May/June as permitted by the Listing Agreement.

iii. Dates of Book Closure :

Monday, 21st June, 2010 to Friday, 25th June, 2010 (both days inclusive).

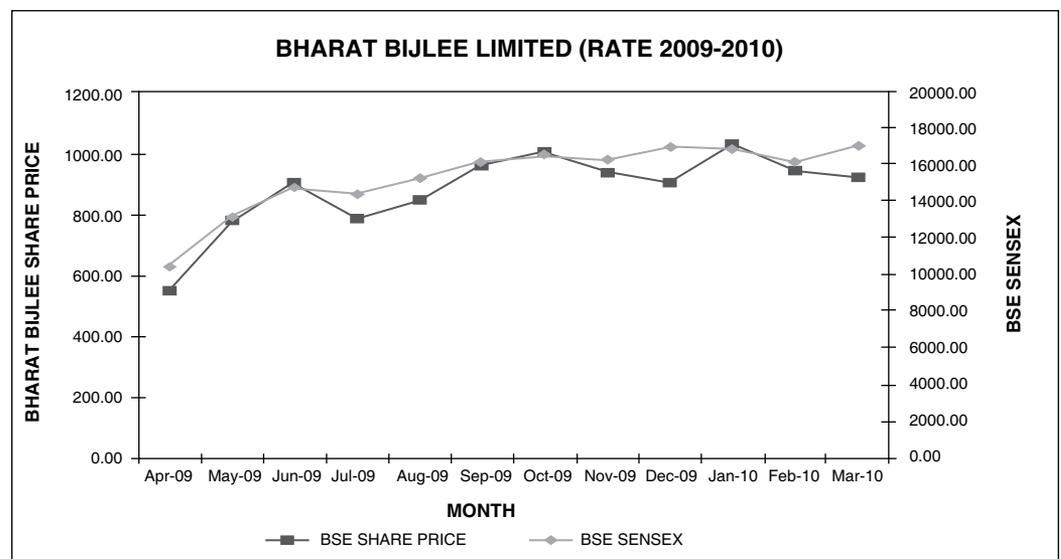
iv. Dividend Payment Date : After 25th June, 2010

v. Listing of Equity Shares on Stock Exchanges :

Name of Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE)	503960
National Stock exchange of India Limited (NSE)	BBL
The listing fees for the financial year 2010-11 has been paid to both BSE & NSE.	
Demat international security Identification No. in NSDL & CDSL : INE 464A01028	

vi. Stock Price data at the Stock Exchanges :

Month	BSE	BSE	NSE	NSE
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	666.00	437.20	665.05	435.25
May, 2009	999.95	559.50	992.00	566.00
June, 2009	1,015.00	800.00	999.00	801.00
July, 2009	893.00	680.20	892.95	681.05
August, 2009	972.90	722.00	969.45	722.10
September, 2009	1,036.00	891.00	1,037.00	885.20
October, 2009	1,090.30	917.00	1,094.40	915.00
November, 2009	994.00	881.15	984.90	880.00
December, 2009	965.00	850.10	970.00	892.00
January, 2010	1,170.00	890.00	1,166.85	888.40
February, 2010	1,035.00	850.00	1,031.95	891.20
March, 2010	964.00	883.20	960.00	901.00

Performance of Share price in comparison with BSE Sensex :


vii. Registrar and Transfer Agents :

Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (W), Mumbai 400 078.
 Tel : 25963838
 Fax : 25946969

viii. Share Transfer System :

The Board has constituted a Share Transfer Committee and has delegated the requisite power to the Committee to attend to share transfer matters. All share transfer and share related issues are approved by a share transfer committee comprising 4 Directors and Approvals are obtained at intervals not exceeding 15 days.

ix. Distribution of Shareholding as on 31-3-2010

S. No.	No. of Equity Shares held	No. of shareholders	No. of shares	% of shareholders	% of shareholding
1.	1-500	25,157	12,11,083	97.22	21.43
2.	501-1000	383	2,90,923	1.48	5.15
3.	1001-2000	175	2,47,351	0.68	4.38
4.	2001-3000	64	1,59,348	0.25	2.82
5.	3001-4000	22	77,198	0.08	1.36
6.	4001-5000	15	68,211	0.05	1.21
7.	5001-10000	23	1,58,374	0.09	2.80
8.	10001- above	38	34,39,072	0.15	60.85
Total		25,877	56,51,560	100.00	100.00

Share Holding Pattern as on 31-3-2010

S. No.	Category	No. of shares	% to total shareholding
1.	Promoters, Directors & relatives	20,15,594	35.66
2.	Public Financial Institutions/Banks	9,63,476	17.05
3.	Mutual Funds/ UTI	2,63,418	4.66
4.	FIIS	26,113	0.46
5.	NRIS/OCBS	65,955	1.17
6.	Private Corporate Bodies	3,68,964	6.53
7.	Indian Public	19,48,040	34.47
Total		56,51,560	100.00

x. Dematerialization of shares and liquidity :

Your Company's shares are traded compulsorily in electronic form and the Company has established connectivity with both the depositories. i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2010, 96.59% of shares have been held in dematerialized form and the rest are in physical form.

xi. The Company has no outstanding GDR's/ADR's/Warrants or any convertible instruments, since not issued.
xii. Plant Location :

No. 2, M.I.D.C., Thane-Belapur Road, Airoli, Navi Mumbai 400 708, Maharashtra

xiii. **Address for correspondence :**

The Corporate Secretarial Department is located at the Company's Registered Office situated at Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Telephone No.24306237, Fax No.24370624. Shareholders may correspond on all matters relating to shares at the addresses mentioned below:

1. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg,
Bhandup (W), Mumbai 400 078
Tel : 25963838
Fax : 25946969
 2. Bharat Bijlee Limited,
Electric Mansion, 6th Floor
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025.
Tel : 24306237
Fax : 24370624
2. As per the requirement of Clause 47(f) of the Listing Agreement with Stock Exchanges, the Company has created a dedicated email ID (investorcare@bharatbijlee.com) exclusively for the purpose of registering complaints of Investors and this is prominently displayed on the Company's website: www.bharatbijlee.com
-

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March, 2010.

For Bharat Bijlee Limited

Place : Mumbai
Date : 06th May, 2010

Nikhil J.Danani
Vice Chairman & Managing Director

**TO THE MEMBERS OF BHARAT BIJLEE LIMITED
CERTIFICATE BY THE AUDITORS ON CORPORATE GOVERNANCE**

We have examined the compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on March 31, 2010.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

DALAL & SHAH
Chartered Accountants
Firm Registration Number102021W.

SHISHIR DALAL
Partner
Membership No.37310

MUMBAI : 6th May, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS – ANNEXURE B

The effect of the global economic slowdown and consequential adverse business conditions continued for the first half of the year under review. This resulted in reduced business activity, volatility in commodity prices, a slowdown in investments, and later, rising inflation. Stimulus measures introduced by the Government helped the economy recover partially during the later part of the year.

Against this economic backdrop, the Company performed as under:

Sr. No.		(Rs. In Lakhs) 2009-2010	(Rs. In Lakhs) 2008-2009
1.	Orders Received	65046.60	61772.40
2.	Unexecuted Order Book	38723.74	39191.43
3.	Sales	65514.29	54469.53
4.	PBT	6095.96	7341.96
5.	PAT	4122.35	4752.79
6.	EPS	72.94	84.10

SEGMENT ANALYSIS

Industrial Products:

This segment comprises the development, manufacture and marketing of Power Transformers, a wide range of standard and customized Low Tension Electric Motors, and Gearless Machines for the elevator industry; the marketing of Anti-Corrosion products; and the engineering and marketing of, AC Variable Speed Drives and Drive systems.

The year under review was significant for the Transformer business, which recorded its highest ever order inflow production and customer deliveries.

Several prestigious orders were obtained from MSETCL, UPPTCL, PSEB, HVPNL, APTRANSCO, DELHI TRANSCO, DVC, CESC etc. and, by fully utilizing enhanced production capacities, the Company was successful in establishing a leadership position for 220 KV class transformers in India. Further up-gradation of the manufacturing facilities is planned during the year.

Because of falling price realisations and a contraction in demand during the first half of the year, the sales of the Motor business increased marginally by 6% although there was a 15% increase in terms of KW. Margins were also affected by the volatility in commodity prices, notably copper. These negative

trends could be partially compensated by continuing improvements in the effectiveness of manufacturing and the supply-chain.

A compact 1000 KW motor was introduced during the year, and there is ongoing emphasis on developing new markets and specialised products for high-growth applications.

INTERNAL CONTROLS, AUDITS & RISK MANAGEMENT:

The Company has in place a system of internal controls, and management policies and procedures covering all business functions and locations.

All operational and financial transactions and information are recorded and reported through an integrated, enterprise-wide SAP System.

The Internal Audit Department continuously verifies the adequacy and effectiveness of internal controls in all areas of operations and at all locations, and recommends systemic and process improvements on an ongoing basis. Extensive internal audits are conducted across the Company, and important findings are periodically reviewed by the top management and thereafter presented to, and reviewed by, the Audit Committee.

Having identified and prioritized strategic, operational, financial and compliance risks with the help of Ernst & Young, the Company has developed appropriate mitigation plans for the risks so prioritized. The risks and their mitigation plans are periodically reviewed by the risk owners and business heads..

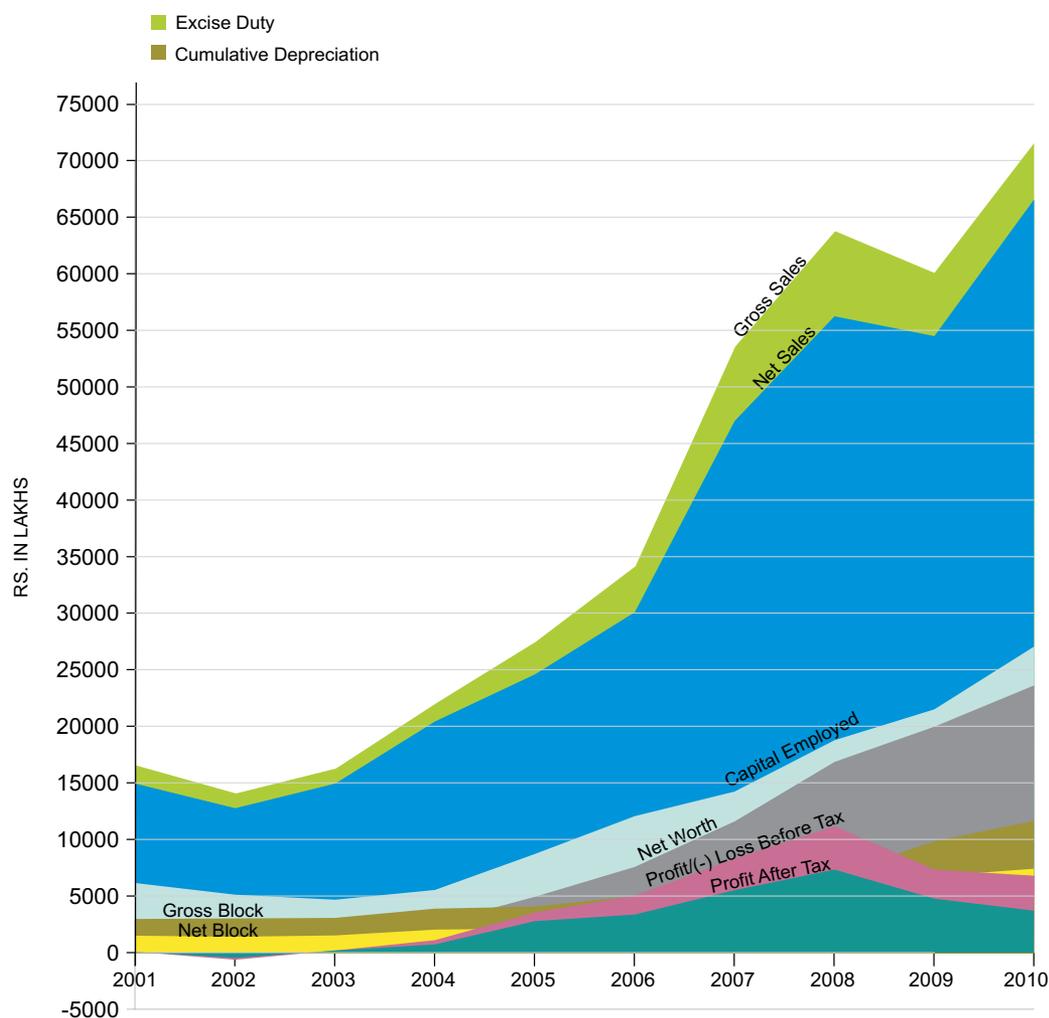
RISKS AND CONCERNS :

Rising inflation, tight liquidity conditions and higher interest cost, and increasing commodity prices are likely to adversely affect costs. At the same time, the overhang of additional capacities built over the years could continue to place downward pressure on selling prices.

FUTURE OUTLOOK :

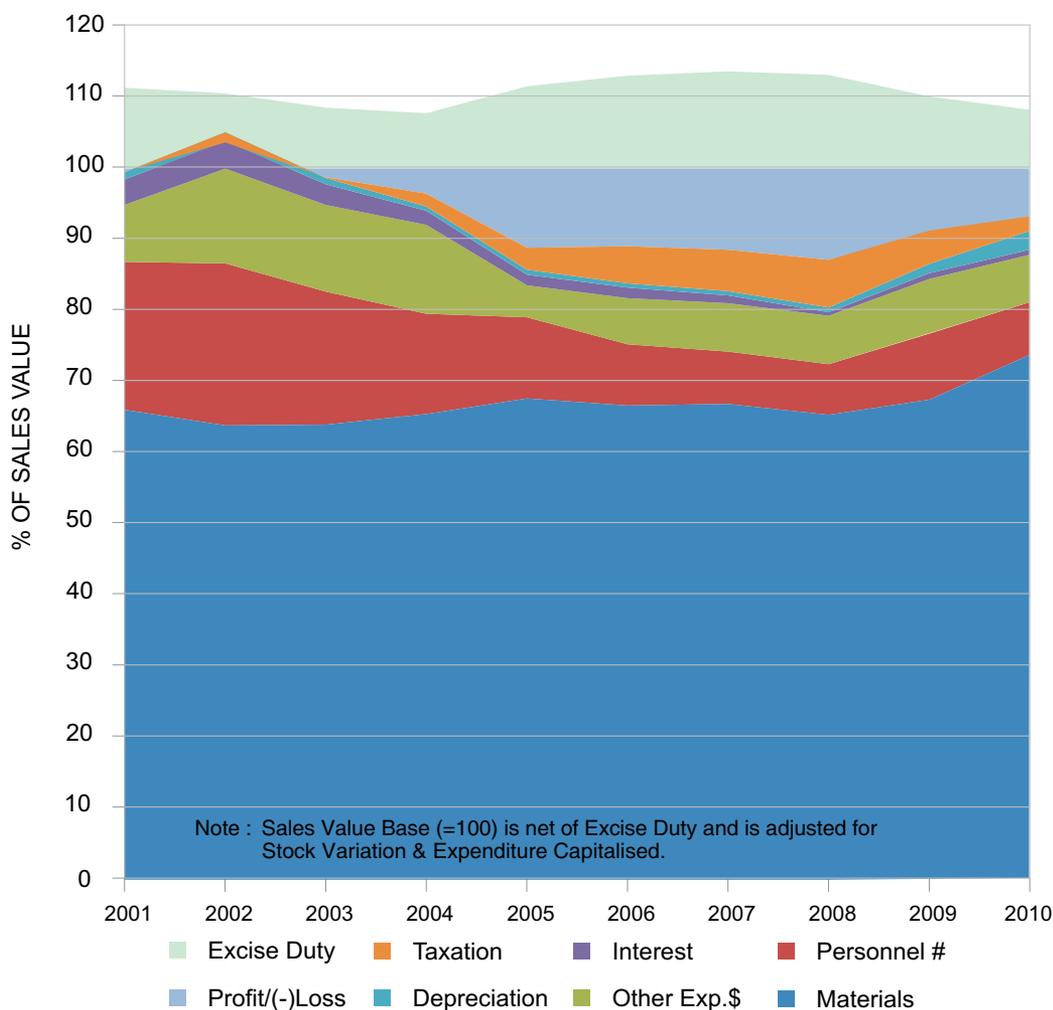
The economy is expected to grow at around 8%, which would attract robust investments across industries and, in particular, the power sector. This is likely to propel growth in the markets in which the Company operates. Bearing this in mind, Company is continuing to invest in the growth of the Transformer and Motor businesses, and in its Projects operations. However, intense competitive pressures are likely to continue to compress margins.

BUSINESS TRENDS



Particulars	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross Sales	16581	14100	16282	22042	27479	34173	53601	63790	60077	70609
Net Sales	14932	12770	14940	20430	24584	30078	46986	56240	54470	65514
Cptl. Empld.	6151	5120	4675	5546	8718	12061	14226	18776	21507	25668
Net Worth	2925	2379	1923	2573	4928	7585	11584	16850	19950	22424
Gross Block	3053	3105	3157	3966	4171	5075	5607	6940	9941	11043
Net Block	1490	1405	1521	2034	2135	2938	3383	4403	6752	7094
Profit/(-) Loss Before Tax	73	-637	185	1101	3557	5030	8320	11169	7342	6096
Profit/(-) Loss After Tax	63	-464	177	734	2777	3368	5508	7249	4753	4122

COST TRENDS



Particulars	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Excise Duty	11.4	10.6	8.6	7.8	11.6	13.1	13.7	13.2	10.2	7.7
Profit/(-)Loss	0.4	-3.7	1.2	3.5	11.1	10.9	11.4	12.8	8.7	6.2
Taxation	0.1	-1.4	0.1	1.8	3.1	5.2	5.8	6.7	4.7	3.0
Depreciation	1.0	1.2	0.9	0.6	0.7	0.6	0.6	0.7	1.3	1.3
Interest	3.6	3.9	2.9	2.0	1.5	1.5	1.1	0.5	0.8	0.9
Other Exp. \$	8.0	13.3	12.2	12.5	4.5	6.5	6.8	6.8	7.7	6.5
Personnel #	20.8	22.8	18.7	14.1	11.4	8.6	7.4	7.1	9.3	8.2
Materials	66.1	63.9	64.0	65.5	67.7	66.7	66.9	65.4	67.5	73.9

\$ Other Expenditure is adjusted for Other Income and Exceptional Income.
 # Personnel cost is adjusted for Expenditure on VRS write off and Provision for Gratuity.

TEN YEARS FINANCIAL DATA

(Rs. In Lakhs)

Period ended	March 2010	March 2009	March 2008	March 2007	March 2006	March 2005	March 2004	March 2003	March 2002	March 2001
SALES AND										
EARNINGS										
Sales	70608.64	60077.08	63789.81	53600.79	34173.42	27479.12	22041.64	16281.89	14099.45	16580.86
Profit/(-) Loss Before Taxes	6095.96	7341.96	11168.72	8320.20	5029.64	3556.90	1101.30	184.77	-637.37	73.05
Profit/(-) Loss After Taxes Net of Adjustments	4122.35	4752.79	7249.18	5508.05	3367.98	2776.54	729.11	175.95	-463.93	62.72
Dividends	1412.89	1412.89	1695.47	1412.89	762.96	508.64	226.06	56.52	-	-
ASSETS										
Gross Block	11043.28	9940.76	6939.82	5607.49	5075.12	4171.10	3965.77	3157.26	3105.37	3052.54
Net Block	7094.26	6752.05	4403.32	3383.03	2938.07	2135.32	2033.93	1520.72	1404.75	1490.36
Investments	5671.45	754.57	2028.97	1872.97	1834.97	284.97	283.97	302.31	302.31	302.31
Deferred Tax Liabilities (Asset)	436.34	393.66	122.70	46.02	82.63	(13.23)	102.03	(150.29)	(138.28)	-
Current Assets, Loans & Advances	29700.47	27681.62	26809.63	28733.64	18048.73	15197.04	12507.86	10312.69	9670.25	11088.92
Current Liabilities & Provisions	17023.97	14188.24	15642.07	19765.11	10923.19	9346.08	9750.67	8099.05	6465.65	6758.53
Net Current Assets	12676.50	13493.38	11167.56	8968.53	7125.54	5850.96	2757.19	2213.64	3204.60	4330.39
Capital Employed	25668.31	21506.60	18776.31	14225.99	12061.46	8718.04	5546.41	4674.63	5119.72	6150.64
LIABILITIES										
Share Capital	565.16	565.16	565.16	565.16	565.16	565.16	565.16	565.16	565.16	565.16
Reserves & Surplus	21859.23	19384.43	16284.65	11019.08	7164.04	4666.03	2469.47	1995.38	1883.19	2387.22
Shareholders' Funds	22424.39	19949.59	16849.81	11584.24	7729.20	5231.19	3034.63	2560.54	2448.35	2952.38
Loan Funds	2807.58	1163.35	1803.80	2595.73	4249.63	3500.08	2409.75	2264.38	2671.37	3198.26
Earnings Per Share (Rs.)	*72.94	*84.10	*128.27	*97.46	*59.59	491.29	129.01	31.13	-82.09	11.10
Equity Dividend Rate (Rs. Per Share)	*25.00	*25.00	*30.00	*25.00	*13.50	90.00	40.00	10	-	-
Net Worth Per Share (Rs.)	*396.78	*352.99	*298.14	*204.97	*134.21	871.99	455.27	340.19	420.87	517.52
Debt Equity Ratio+	0.08:1	0.06:1	0.11:1	0.16:1	0.26:1	0.39:1	0.81:1	0.55:1	0.33:1	0.33:1

+ Debt = Loan Funds less cash credit & Short-Term Loans from Banks; Equity = Shareholders' Funds

* on Equity Share of Rs. 10/- each sub-divided

TEN YEARS FUNDS FLOW

(Rs. in Lakhs)

Period ended	March 2010	March 2009	March 2008	March 2007	March 2006	Five Periods Total	Previous Five Years Total
SOURCES OF FUNDS:							
Gross profit/(loss)	7,537.95	8,499.68	11,822.51	9,142.99	5,682.50	42,685.63	7,244.39
Deduct : Depreciation & Amortisation	836.71	708.38	392.68	293.34	184.02	2,415.13	738.39
Deduct : Interest	605.28	449.34	261.11	529.45	468.84	2,314.02	2,227.35
Deduct : Taxation	2,007.09	2,555.86	3,840.12	2,812.65	1,622.28	12,838.00	991.84
Profit After Tax/(Loss)	4,088.87	4,786.10	7,328.60	5,507.55	3,407.36	25,118.48	3,286.81
Add : Depreciation	836.71	708.38	392.68	293.34	184.02	2,415.13	738.39
Add : Deferred Tax Debit/(Credit)	42.69	270.96	76.67	(36.61)	95.85	449.56	(53.32)
Add : Misc. Exp. / Intangible Assets w/off	-	-	-	144.48	172.59	317.07	581.91
Internal Generation	4,968.27	5,765.44	7,797.95	5,908.76	3,859.82	28,300.24	4,553.79
Term Loans Raised	1,978.70	586.16	246.36	369.89	747.10	3,928.21	3,510.33
Total	6,946.97	6,351.60	8,044.31	6,278.65	4,606.92	32,228.45	8,064.12
APPLICATION OF FUNDS:							
Fixed Assets Additions(net)	898.43	2,387.25	2,587.97	721.36	873.06	7,468.07	1,419.89
Term Loans Repaid	334.47	932.78	582.12	533.47	673.13	3,055.97	2,754.10
Investment Changes (net)	4,916.88	(1,274.40)	156.00	38.00	1,550.00	5,386.48	(35.71)
Misc. Exp / Intangible Assets	-	-	-	-	2.37	2.37	899.15
Working Capital Changes	(850.36)	2,652.96	2,734.61	3,332.81	638.39	8,508.41	2,127.63
Dividends	1,647.55	1,653.01	1,983.61	1,653.01	869.97	7,807.15	898.76
Total	6,946.97	6,351.60	8,044.31	6,278.65	4,606.92	32,228.45	8,063.82
WORKING CAPITAL CHANGES:							
Inventories	(1,105.07)	1,161.47	1,337.63	2,097.33	782.56	4,273.92	(154.14)
Debtors	2,312.74	(1,062.23)	2,501.26	4,486.69	2,961.98	11,200.44	1,382.07
Cash & Bank Balances & Other Current Assets	119.84	230.54	(285.02)	419.55	(2,349.11)	(1,864.20)	2,365.51
Loans & Advances	691.34	542.21	3,776.68	3,681.34	1,456.26	10,147.83	75.61
Sub-Total	2,018.85	871.99	7,330.55	10,684.91	2,851.69	23,757.99	3,669.05
Bank Loans	-	(293.83)	(456.16)	(1,490.32)	675.57	(1,564.74)	(673.93)
Other Current Liabilities	2,845.32	(1,070.40)	851.41	4,910.44	(331.32)	7,205.45	932.35
Provisions	23.89	(416.74)	4,200.69	3,931.98	1,869.05	9,608.87	1,283.00
Sub-Total	2,869.21	(1,780.97)	4,595.94	7,352.10	2,213.30	15,249.58	1,541.42
Net	(850.36)	2,652.96	2,734.61	3,332.81	638.39	8,508.41	2,127.63

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of **BHARAT BIJLEE LIMITED**, as at 31st March 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- (1) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (2) As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003), (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order;
- (3) Further to our comments in Annexure referred to in paragraph 2 above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956,;
 - (e) On the basis of the written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2010,

- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
- (iii) In the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
DALAL & SHAH
 Firm Registration Number 102021W.
 Chartered Accountants

SHISHIR DALAL
 Partner

MUMBAI : 6th May 2010.

Membership No: 37310

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in Paragraph 2 of the Auditors' Report of even date to the Members of BHARAT BIJLEE LIMITED on the Accounts for the year ended 31st March, 2010.

On the basis of the records produced to us for our verification/perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in the Books of Account.
- (c) Disposal of fixed assets during the year were not substantial and therefore would not have an impact on the operations of the Company;
- ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year and at the close of the year, except stocks lying with third parties in respect of whom confirmations have been obtained in most cases;
- (b) The procedures of physical verification of inventories followed by the management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) According to the records produced to us for our verification, the discrepancies noticed on physical verification of inventories referred to above, as compared to book records, though not material, have been properly dealt with in the books of account;
- iii) (a) As per the information and explanation given to us and the records produced to us for our verification, the Company has not granted any loans secured or unsecured to Companies, Firms and other parties in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken a loan from a Company listed in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount involved during the year and the balance outstanding as at March 31, 2010

was Rs. 615 Lacs. In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loan taken by the Company during the year, is not *prima facie* prejudicial to the interest of the Company.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. As per the information given to us, no major weaknesses in the internal controls have been identified by the management or the internal audit department of the Company during the year. During the course of our audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the Company;
- v) (a) On the basis of the audit procedures performed by us and according to the information and explanations given to us on our enquiries on this behalf and the records produced to us for our verification, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section;
- (b) The transactions made in pursuance of such contracts and arrangements and exceeding the value of Rs. Five Lakhs in respect of any party during the year, have been in our opinion, as per the information and explanation given to us, made at prices which are reasonable having regard to prevailing market prices as available with the Company for such transactions or prices at which transactions, if any, for similar goods have been made with other parties at the relevant time;
- vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, where applicable with regard to the deposits accepted by it from the public. Since the Company has not defaulted in repayments of deposits, compliance of Section 58AA or obtaining any order from the National Company Law Tribunal, does not arise;
- vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the Company has an adequate internal audit system commensurate with the size and nature of its business;
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate;
- ix) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and other Statutory dues with the appropriate authorities. There were no undisputed dues outstanding for more than six months as at 31st March, 2010.

- (b) According to the records of the Company and the information and explanations given to us upon our enquiries in this regard, disputed dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty / Cess unpaid as at the last day of the financial year, are as follows

Rupees. in Lacs

	Statutes	FORUMS BEFORE WHOM PENDING				Total
		Commissioner Appeals	Tribunal	High Court	Supreme Court	
1	Excise	-	410.09	-	-	410.09
2	Income Tax	-	-	-	-	-
3	Sales Tax	59.79	-	70.11	-	129.90
4	Custom Duty	-	305.83	-	-	305.83

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year;
- xi) On the basis of the records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions and banks;
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions have been made therein;
- xiv) According to the information and explanations given to us, and the representation made by the management, the Company has not given any guarantees for loans taken by others from banks or financial institutions;
- xv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments;
- xvi) The Company has not obtained any Term Loans during the year;
- xvii) As per the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised by the Company on short-term basis which have been used for long-term investment;
- xviii) The Company has not made any preferential allotment of shares to companies/ firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956;
- xix) The Company did not have any outstanding debentures during the year;
- xx) As per the information and explanations given to us on our enquiries on this behalf, there were no frauds on or by the Company which have been noticed or reported during the year, nor have we been informed of such case by the Management;
- In view of the nature of business carried on by the Company clause no (xiii) of CARO, 2003 is not applicable to the Company.

For and on behalf of
DALAL & SHAH
 Firm Registration Number102021W.
 Chartered Accountants
SHISHIR DALAL
 Partner

MUMBAI : 6th May 2010.

Membership No: 37310

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31st March, 2010 Rupees in Lakhs	31st March, 2009 Rupees in Lakhs
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS:			
(a) Share Capital	A	565.16	565.16
(b) Reserves and Surplus	B	<u>21859.23</u>	<u>19384.43</u>
			19949.59
LOAN FUNDS:			
(a) Secured Loans	C	0.00	0.00
(b) Unsecured Loans	D	<u>2807.58</u>	<u>1163.35</u>
			1163.35
DEFERRED TAX LIABILITY (net) (refer note 6)			
			<u>393.66</u>
		Total	<u>21506.60</u>
APPLICATION OF FUNDS:			
FIXED ASSETS :			
	E		
(a) Gross Block		11043.28	9940.76
(b) Deduct: Depreciation		<u>3949.02</u>	<u>3188.71</u>
(c) Net Block		7094.26	6752.05
(d) Capital Work-in-Progress		<u>226.10</u>	<u>506.60</u>
			7258.65
INVESTMENTS:			
	F		754.57
CURRENT ASSETS, LOANS AND ADVANCES:			
	G		
(a) Inventories		7791.43	8896.50
(b) Sundry Debtors		18005.15	15692.41
(c) Cash & Bank Balances		1090.34	970.50
(d) Loans and Advances		<u>2813.55</u>	<u>2122.21</u>
		<u>29700.47</u>	<u>27681.62</u>
Deduct:			
CURRENT LIABILITIES AND PROVISIONS:			
	H		
(a) Current Liabilities		14217.35	11372.03
(b) Provisions		<u>2806.62</u>	<u>2816.21</u>
		<u>17023.97</u>	<u>14188.24</u>
NET CURRENT ASSETS:			
			<u>13493.38</u>
		Total	<u>21506.60</u>
Significant Accounting Policies and Notes forming part of the Balance Sheet	O		

As per our attached report of even date.
For and on behalf of DALAL & SHAH,
Firm Registration No. 102021W
Chartered Accountants,

Shishir Dalal
Partner
Membership No. 37310

D. N. Nagarkar
Company Secretary & Senior General Manager :
Legal

S. B. Godbole
Vice President
Finance

Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen &
 } Managing Directors
Shome N. Danani Executive Director
Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 6th May, 2010

Mumbai, 6th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Rupees in Lakhs	Year ended 31st March, 2010 Rupees in Lakhs	Year ended 31st March, 2009 Rupees in Lakhs
INCOME:				
Sales and Services (Gross)		70,608.64		60077.08
Less: Excise Duty		5,094.35		5607.55
	I		65514.29	54469.53
Other Income	J		576.77	299.23
			66091.06	54768.76
EXPENDITURE:				
Materials	K	48241.77		36643.82
Personnel	L	5432.63		5105.81
Other Expenditure	M	4878.71		4519.45
Interest and Financial Charges	N	605.28		449.34
Depreciation and Amortisation		836.71		708.38
			59995.10	47426.80
			6095.96	7341.96
Profit Before Taxation:				
Provision for Taxation				
Wealth Tax		5.40		5.70
Current Tax		1959.00		2219.90
Fringe Benefit Tax		0.00		59.30
Deferred Tax Debit/(Credit)		42.69		270.96
			2007.09	2555.86
PROFIT FOR THE YEAR AFTER TAXATION				
Short/(Excess)Provision for Tax for earlier years			4088.87	4786.10
			(33.48)	33.31
PROFIT AFTER TAXATION				
Balance brought forward from previous year			4122.35	4752.79
			2463.06	1363.28
PROFIT AVAILABLE FOR APPROPRIATION				
Transfer to General Reserve		2000.00		2000.00
Proposed Dividend on Equity Shares		1412.89		1412.89
Provision for Tax on proposed Equity Dividend		234.66		240.12
			3647.55	3653.01
BALANCE CARRIED TO BALANCE SHEET				
			2937.86	2463.06
Weighted average number of equity shares outstanding during the year			56,51,560	56,51,560
Basic and Diluted earning per share (in Rs.) [nominal value Rs.10 per share]			72.94	84.10

Significant Accounting Policies and Notes forming part of the Profit and Loss Account

As per our attached report of even date.

For and on behalf of DALAL & SHAH,

Firm Registration No. 102021W

Chartered Accountants,

Shishir Dalal
Partner
Membership No. 37310

D. N. Nagarkar
Company Secretary & Senior General Manager :
Legal

S. B. Godbole
Vice President
Finance

Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen &
Managing Directors

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 6th May, 2010

Mumbai, 6th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31st March'2010	31st March'2009
	Rupees	Rupees
	In lakhs	In lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	6095.96	7341.96
Adjustments for :		
Depreciation	836.71	708.38
Surplus/deficit on sale of Assets(net)	(7.45)	(15.50)
Surplus on sale / redemption of current investments	(239.09)	(23.19)
Interest(net)	533.38	410.46
Dividend received	(174.38)	(116.15)
Provision for Gratuity during the year	10.41	(63.12)
Provision for Leave Encashment during the year	16.10	17.10
	975.68	917.98
Operating Profit Before Working Capital changes	7071.64	8259.94
Adjustments for :		
Trade and other receivables	(2,818.31)	616.25
Inventories	1105.06	(1161.47)
Current Liabilities	2776.59	(1067.70)
	1063.34	(1612.92)
Cash generated from Operations	8134.98	6647.02
Direct Taxes paid	(2354.31)	(2702.58)
a) Net cash from Operating activities	5780.67	3944.44
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(944.64)	(2393.07)
Sale of Fixed Assets	53.67	21.32
Purchase/Sale of Investments	(4677.79)	1297.59
Interest received	69.40	38.88
Dividend received	174.38	116.15
b) Net cash in investing activities	(5324.98)	(919.13)
	455.69	3025.31
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Net)	1644.23	(640.45)
Interest paid	(579.38)	(469.39)
Dividend paid	(1400.70)	(1684.93)
c) Net cash from Financing activities	(335.85)	(2794.77)
	119.84	230.54
Net increase in Cash and Cash equivalents	119.84	230.54
Cash and Cash equivalents at the beginning of the year	970.50	739.96
Cash and Cash equivalents at the close of the year (refer Schedule G (c))	1090.34	970.50

Note : Cash and Cash equivalents at the closure of the year include Rs 119.05 Lakhs (previous year Rs 140.09 Lakhs) which are restricted in use .

As per our attached report of even date.

For and on behalf of DALAL & SHAH,

Firm Registration No. 102021W

Chartered Accountants,

Shishir Dalal
Partner
Membership No. 37310

D. N. Nagarkar
Company Secretary & Senior General Manager :
Legal

S. B. Godbole
Vice President
Finance

Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen &
Managing Directors

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 6th May, 2010

Mumbai, 6th May, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE A	31st March,2010	31st March,2009
SHARE CAPITAL:	Rupees in Lakhs	Rupees in Lakhs
Authorised:		
2,00,000 12% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 100 each	200.00	200.00
80,00,000 Equity Shares of Rs.10 each	800.00	800.00
	1000.00	1000.00
Issued and Subscribed:		
56,51,560 Equity Shares of Rs. 10 each, fully paid up	565.16	565.16
Of the above shares,		
47,05,830 Equity shares of Rs. 10 each issued as fully paid Bonus shares by capitalisaion of reserves		
3,46,230 Equity shares of Rs. 10 each issued on conversion of Convertible Bonds		
	565.16	565.16
SCHEDULE B		
RESERVES AND SURPLUS:		
General Reserve:		
As per last Account	16921.37	14921.37
Add: Transferred from Profit & Loss Account	2000.00	2000.00
	18921.37	16921.37
Balance in Profit and Loss Account:	2937.86	2463.06
	21859.23	19384.43
SCHEDULE C		
SECURED LOANS:		
Working Capital Facilities from Banks:	0.00	0.00
Secured by hypothecation of all tangible moveable assets including stock of Raw Materials, Stores, Spares, Fuel, Work-in-Progress, Finished Goods and Book Debts and by oral equitable mortgage, ranking second and subservient to mortgages created or to be created, on immovable properties excluding vacant land at Company's Kalwe factory.		
	0.00	0.00
SCHEDULE D		
UNSECURED LOANS:		
Fixed Deposits:	1871.86	1163.35
(Rs. 284.29 lakhs falling due within one year - previous year Rs. 334.47 lakhs) (includes Rs.25 lakhs from a director - previous year Rs.25 lakhs)		
Short -Term Loans:		
- Banks	320.72	0.00
- Inter Corporate Deposits	615.00	0.00
	935.72	0.00
	2807.58	1163.35

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE E
FIXED ASSETS :

(Rupees In Lakhs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As At 31.03.2009	Additions	Deductions	As At 31.03.2010	As At 31.03.2009	For the year	On Deductions	As At 31.03.2010	As At 31.03.2010	As At 31.03.2009
TANGIBLE ASSETS										
Buildings Incl. Roads+	2350.87	291.34	36.38	2605.83	500.09	64.73	5.00	559.82	2046.01	1850.78
Plant & Machinery etc.	6239.35	818.54	53.36	7004.53	2047.41	475.05	49.08	2473.38	4531.15	4191.94
Furniture & Fixtures	124.68	35.84	0.26	160.26	93.91	8.17	0.25	101.83	58.43	30.77
Office Equipment	262.61	21.60	11.91	272.30	116.12	24.75	9.65	131.22	141.08	146.49
Motor Vehicles	120.23	-	20.71	99.52	50.45	9.97	12.42	48.00	51.52	69.78
INTANGIBLE ASSETS										
Leasehold Land	12.95	-	-	12.95	6.65	0.13	-	6.78	6.17	6.30
Application Software	758.18	57.82	-	816.00	345.32	239.54	-	584.86	231.14	412.86
Technical Knowhow	71.89	-	-	71.89	28.76	14.37	-	43.13	28.76	43.13
TOTAL	9940.76	1225.14	122.62	11043.28	3188.71	836.71	76.40	3949.02	7094.26	6752.05
Previous Year's Total	6939.82	3062.93	61.99	9940.76	2536.50	708.38	56.17	3188.71	6752.05	

'+ Includes Rs.11,850 being the value of 231 shares in Co-operative Societies for ownership premises.

SCHEDULE F
31st March, 2010 31st March, 2009
Rupees Rupees
in Lakhs in Lakhs

INVESTMENTS
Non Trade
A. Long Term - at cost
Quoted:

(All fully paid up and held in Demat mode)

28,25,160	Equity shares of Rs. 2 each of Siemens India Ltd.	214.81	214.81
1,02,980	Equity shares of Rs. 10 each of HDFC Ltd.	13.52	13.52
15,821	Equity shares of Rs. 10 each of ICICI Bank Ltd.	6.16	6.16
3,33,333	Equity shares of Rs. 10 each of Hindustan Oil Exploration Co. Ltd.	216.50	216.50
500	Equity shares of Rs. 10 each of the HDFC Bank Ltd.	0.05	0.05
5,400	Equity shares of Rs. 10 each of Bank of India	2.43	2.43
		453.47	453.47

Unquoted:

1,000	Equity shares of Rs. 10 each of the Saraswat Co-operative Bank Ltd.	0.10	0.10
10,000	Equity shares of Rs. 10 each of the North Kanara G.S.B. Co-op Bank Ltd.	1.00	1.00
		1.10	1.10

B. Current - at the lower of cost and fair value
Unquoted :

In Mutual Funds

11,768,150	Birla Sun Life Savings Fund - Instl - Growth	2057.15	300.00
16,904,703	HDFC Floating Rate Income Fund - Short Term Plan - Wholesale - Growth	2651.49	0.00
296,752	ICICI Prudential Flexible Income Plan Premium - Growth	508.24	0.00
		5216.88	300.00
	Total	5671.45	754.57

Aggregate Amount of Investments

Quoted :

Book value	453.47	453.47
Market value	24658.87	9335.06

Unquoted :

Book value	5,217.98	301.10
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SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE F (Contd..)

Note : The following investments were purchased and sold /redeemed during the year :

Units of the Mutual Fund	Face	Nos.	Purchase Cost
	Value Rs.		Rs. in Lakhs
HDFC Cash Management Fund-Saving Plan-Growth	10	1,086,278	200.00
HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale-Growth	10	25,932,435	5114.78
HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale-Daily Dividend	10	11,708,723	1174.56
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale-Growth	10	33,813,403	5223.21
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Dividend Reinvestment-Daily	10	26,021,184	2623.17
HDFC Liquid Fund-Premium Plan-Growth	10	38,110,416	6819.07
HDFC Liquid Fund-Premium Plan-Dividend-Daily Reinvest	10	19,230,044	2357.56
HDFC Liquid Fund-Premium Plus Plan-Growth	10	14,337,548	2651.01
Birla Sun Life Savings Fund-Instl-Daily Dividend-Reinvestment	10	31,292,186	3131.35
Birla Sun Life Savings Fund-Instl-Growth	10	42,236,844	7232.21
Birla Sun Life-Cash Plus-Instl.Premium-Growth	10	46,739,134	6749.35
Birla Sun Life-Short Term Fund-Instl.-Daily Dividend	10	9,105,085	911.01
Birla Sun Life-Short Term Fund-Instl.-Growth	10	19,588,690	2061.38
ICICI Prudential Flexible Income Plan Premium-Growth	100	593,548	1006.94
ICICI Prudential Liquid Plan Instl.Plus-Growth	100	444,969	1008.14
ICICI Prudential Ultra Short Term Plan Premium-Growth	10	4,935,426	505.10

SCHEDULE G
CURRENT ASSETS, LOANS AND ADVANCES:

		31st March, 2010	31st March, 2009
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
(a) A. Inventories			
(i) Raw Materials and Components		2546.60	2740.49
(ii) Packing Materials, Stores, Spare Parts and Fuel		22.87	10.99
(iii) Consumable Tools		6.96	8.58
(iv) Work-in-Progress		3267.27	1799.34
(v) Finished Goods		1938.36	4278.09
		<u>7782.06</u>	<u>8837.49</u>
B. Materials in Transit		9.37	59.01
		<u>7791.43</u>	<u>8896.50</u>
(b) Sundry Debtors, Unsecured :			
(i) Over six months :		914.46	673.74
: Good			
: Doubtful	163.41		120.22
: Deduct: Provision	163.41		120.22
		0.00	0.00
(ii) Others :		17090.69	15018.67
: Good			
		<u>18005.15</u>	<u>15692.41</u>
(c) Cash and Bank Balances:			
(i) (a) Cash on hand	4.88		7.33
(b) Cheques on hand	183.45		136.61
(c) Remittances in transit	248.23		271.92
		436.56	415.86
(ii) Balances with Scheduled Banks:			
(a) In Current Accounts		593.34	446.08
(b) In Fixed Deposits		60.44	108.56
(including kept with bank as margin Rs. 1.31 lakhs - previous year Rs.1.31 Lakhs) (including interest accrued Rs. 4.13 lakh - previous year Rs. 7.25 lakhs)			
		<u>1090.34</u>	<u>970.50</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE G (Contd.)	31st March, 2010	31st March, 2009
CURRENT ASSETS, LOANS AND ADVANCES:	Rupees in Lakhs	Rupees in Lakhs
(d) Loans and Advances, good:		
Secured:		
Loans to employees	42.94	40.66
Unsecured:		
(i) Advances recoverable in cash or in kind or for value to be received (including loan to an Officer Rs.0.37 Lakh - previous year Rs. 0.57 Lakh) (maximum balance during the year Rs. 0.57 Lakh - previous year Rs. 0.77 lakh)	2034.85	1624.85
(ii) Sundry Deposits	0.43	0.43
(including National Plan Savings Certificates of the face value of Rs. 0.43 Lakh matured but not encashed deposited with Government Departments and Semi Government Authorities - previous year Rs.0.43 lakh)		
Other Deposits	330.35	234.66
(including interest accrued Rs. 2.50 lakhs - previous year Rs.2.14 lakhs)		
	330.78	235.09
(iii) Balance with Central Excise Department	0.47	0.37
(iv) Advance payments of tax and tax deducted at source (net of provision)	404.51	221.24
	2813.55	2122.21
	29700.47	27681.62
SCHEDULE H		
CURRENT LIABILITIES AND PROVISIONS :		
(a) Current Liabilities:		
(i) Acceptances	5261.49	3085.85
(ii) Advances from Customers	1907.61	2384.59
(iii) Sundry Creditors		
(a) Dues to Micro and Small Enterprises (Refer Note 5)	0.00	0.00
(b) Dues to creditors other than Micro and Small Enterprises	6942.27	5833.70
	6,942.27	5,833.70
(iv) Staff Security Deposits	0.28	0.28
(v) Interest accrued but not due, on Loans	60.55	34.65
(vi) Unclaimed Dividends	45.15	32.96
	14217.35*	11372.03
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
(b) Provisions:		
(i) Gratuity (including to the managerial personnel Rs.202.30 lakhs - previous year Rs.191.89 lakhs)	700.55	690.14
(ii) Leave Encashment Benefit	370.94	354.84
(iii) Warranty Claims	87.58	118.22
(iv) Proposed Dividend on Equity Shares	1412.89	1412.89
(v) Tax on Proposed Equity Dividend	234.66	240.12
	2806.62	2816.21
	17023.97	14188.24

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE I

SALES AND SERVICES:	Rupees in Lakhs	Year ended 31st March, 2010 Rupees in Lakhs	Year ended 31st March, 2009 Rupees in Lakhs
Sales	70433.28		60160.03
Less: Excise Duty	<u>5094.35</u>		<u>5607.55</u>
		65338.93	54552.48
Services		<u>235.78</u>	<u>257.97</u>
		65574.71	54810.45
Deduct: Returns		<u>60.42</u>	<u>340.92</u>
		<u>65514.29</u>	<u>54469.53</u>

SCHEDULE J
OTHER INCOME:

Interest Gross		71.90	38.88
(Tax deducted at source Rs. 0.17 Lakhs - previous year Rs.1.80 Lakh)			
Dividend from Long Term Investments		174.38	116.15
Dividend from Current Investments		5.27	0.00
Surplus on sale/redemption of Current Investments		239.09	23.19
Miscellaneous Income		27.77	21.70
Surplus on sale of Assets		17.34	19.17
Bad Debt recoveries		0.00	0.01
Forex Gain (net)		20.27	0.00
Provision no longer required/Sundry Credit balances appropriated		<u>20.75</u>	<u>80.13</u>
		<u>576.77</u>	<u>299.23</u>

SCHEDULE K
MATERIALS:
A. Raw Materials and Components Consumed

(Including Processing charges & Subcontracting charges)		45244.60	35011.66
Packing Materials, Stores, Spare Parts and Tools consumed		666.61	732.48
Fuel consumed (excluding for own power generation)		114.71	75.54
Purchases for resale		<u>1512.90</u>	<u>1182.96</u>
		47538.82	37002.64

B. Variation in Work-in-Progress and Finished Goods:
Work-in-Progress:

Stock at Commencement	1799.34		3823.85
Deduct: Stock at Close	<u>3267.27</u>		<u>1799.34</u>
		(1467.93)	2024.51

Finished Goods:

Stock at Commencement	4278.09		1623.32
Deduct: Stock at Close	<u>1938.36</u>		<u>4278.09</u>
		2339.73	(2654.77)

Excise Duty on Finished Goods :

Stock at Close	261.52		430.37
Deduct : Stock at Commencement	<u>430.37</u>		<u>158.93</u>
		(168.85)	271.44
		<u>48241.77</u>	<u>36643.82</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE L

PERSONNEL:	Rupees in Lakhs	Year ended 31st March, 2010 Rupees in Lakhs	Year ended 31st March, 2009 Rupees in Lakhs
Salaries, Wages, Bonus etc.		4240.38	4076.67
Workmen and Staff Welfare Expenses		707.36	661.60
Contribution to and provision for Provident and Other Funds		484.89	367.54
		5432.63	5105.81

SCHEDULE M
OTHER EXPENDITURE:

Power and fuel		396.93	413.04
Repairs to Buildings		101.19	134.57
Repairs to Machinery(excluding Spare Parts)		198.05	147.35
Other Repairs		27.66	41.28
Insurance		46.47	61.77
Rent		74.64	62.02
Rates and Taxes		154.41	19.48
Taxes and Levies by Government and Local Authorities		40.23	20.10
Royalty & Technical Service Fee		5.56	3.01
Post and Telecommunication Charges		90.60	87.68
Travelling, Conveyance and Motor Vehicle Expenses		352.97	343.76
Freight and Forwarding Charges (net)		181.14	298.28
Discount & Allowances on Sales		201.08	148.24
Product Advertisement and Publicity		135.35	65.31
Printing and Stationery		86.52	79.92
Data Processing Charges		79.28	72.79
Professional Charges		219.34	380.12
Commission		880.00	472.52
Bank Charges		242.69	227.68
Miscellaneous		660.58	737.00
Directors' Fees		5.70	6.10
Managerial Remuneration		640.86	577.89
Forex Loss (net)		0.00	115.10
Loss on assets sold, demolished, discarded, and scrapped		9.89	3.67
Provision for Doubtful Debts	50.87		6.06
Less: Provision for Doubtful debts no longer required	7.69		6.34
		43.18	(0.28)
Bad Debts /Sundry Debit balances written off		4.39	1.05
		4878.71	4519.45

SCHEDULE N
INTEREST AND FINANCIAL CHARGES:

Interest			
(i) on Fixed Loans	284.88		138.68
[includes Rs. 2.50 lakhs to a Vice Chairman & Managing Director - previous year Rs.2.50 lakhs]			
(ii) on Others	232.71		306.07
		517.59	444.75
Discounting Charges		87.69	4.59
		605.28	449.34

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE O

A. Significant Accounting Policies

1. System of Accounting:

- a) In compliance with the accounting standards referred to in Section 211(3C) and the other relevant provisions of the Companies Act, 1956 to the extent applicable, the Company follows the accrual system of accounting in general and the historical cost convention in accordance with the generally accepted accounting principles [GAAP].
- b) The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively when revised.

2. Revenue Recognition

- a) Revenue from sale of products are recognised on transfer of all significant risk and rewards of ownership of the product on to the customers, which is generally on despatch of goods.
- b) Sales are stated exclusive of Value Added Tax / Sales Tax, returns and discounts for the year .
- c) Service income is recognised, net of service tax, when the related services are provided.
- d) Dividend income is recognised on establishment of the right to receive the same.
- e) Interest income is recognised on the time proportion basis.
- f) Insurance and other claims are accounted as and when unconditionally admitted by the appropriate authorities.
- g) Eligible export incentives are recognised in the year of export.

3. Fixed Assets & Depreciation:

Fixed assets are stated at historical cost net of Cenvat, other setoffs and accumulated depreciation.

Depreciation is provided on straight line basis at the rates and in the manner prescribed in the Schedule XIV to the Companies' Act, 1956.

Spares of the nature of capital spares/ insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the fixed asset to which they relate.

4. Intangible Assets:

- a) Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.
- b) Expenditure on technical know-how is amortised over the lower of the contract period and the period as per Accounting Standard (AS) 26 - Intangible Assets.
- c) Expenditure on application software is amortised over a period of three years.

5. Investments:

Long term investments are carried at cost of acquisition. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of investments. Current investments are carried at the lower of cost and fair value.

6. Inventories:

Inventories include raw materials and components, packing materials, stores, spare parts, work-in-progress and manufactured and traded finished goods.

Cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Materials & Components, packing materials, stores, spare parts and traded finished goods are valued at the lower of cost and net realisable value. Cost is determined on the basis of weighted average method.

Work-in-progress and manufactured finished goods are valued at the lower of cost and net realisable value.

Materials in transit and materials in bonded warehouse are valued at Cost-to-date.

Excise duty is included in the value of finished goods inventory and Custom duty is provided on the materials lying in bonded warehouse.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE O (Contd.)

7. Foreign Currency Transactions:

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

8. Employee Benefits:

A. Short Term Employee Benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

B. Retirement Benefits:

- a) Retirement benefits in the form of Provident Fund / Family Pension Fund and Superannuation Fund, which are Defined Contribution Plans, are accounted on accrual basis and charged to the Profit and Loss account of the year.
- b) Retirement benefits in the form of Gratuity which is a defined benefit plan and the long term employee benefit in the form of Leave Encashment, are determined and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
- c) The actuarial gains / losses arising during the year are recognised in the Profit and Loss account of the year.

9. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

10. Taxation :

Current Tax is determined at the current rates based on assessable income.

Deferred Tax is determined using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognised and carried forward only if there is reasonable certainty of its realisation. However in case of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961, the Deferred Tax Asset is recognised if and only if there is a virtual certainty backed by convincing evidence of its realisation. Such assets are reviewed at each Balance Sheet date to reassess its realisation.

11. Leases :

For premises taken/given on lease, lease rentals payable/receivable are charged/ credited to the revenue.

12. Impairment of Assets :

- a) The carrying amount of assets, other than inventories is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such asset or group of assets (cash generating unit). If such indication exists, the recoverable amount of such asset or group of assets is estimated.
- b) If such recoverable amount of the asset or the group of assets is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

13. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of note to the Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognised nor disclosed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

B. NOTES:	31st March, 2010	31st March, 2009
	Rupees in Lakhs	Rupees in Lakhs
1. Contingent Liabilities not provided for in respect of :		
(i) Disputed Sales Tax set-off and demands	135.95	140.61
(ii) Disputed Excise Duty demands	410.09	287.59
(iii) Disputed Custom Duty Demand	305.83	305.83
(iv) Disputed Income Tax Demands	100.00	209.39
(v) Claims against the Company not acknowledged as debts	3.56	3.56
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	143.51	340.20
3. Professional Charges include:		
(a) To Auditors: (net of Service Tax)		
(i) As Auditors Fees	13.00	9.00
(ii) For Tax Audit	1.20	1.20
(iii) For Company Law and other matters	0.23	0.23
(iv) For Certifications	0.15	0.35
(v) Reimbursement of Out of Pocket Expenses	0.18	0.31
	14.76	11.09
(b) To Cost Auditors (net of Service Tax)	0.33	0.33
4. Managerial Remuneration:		
(a) Computation of Net Profit in accordance with provisions of Section 349 of the Companies Act, 1956 :		
Profit before Taxation as per Profit and Loss Account	6095.96	7341.96
Add : Managerial Remuneration	640.86	577.89
Loss on Assets sold, demolished, discarded, and scrapped	9.89	3.67
Provision for Doubtful Debts	43.18	(0.28)
	693.93	581.28
	6789.89	7923.24
Less : Surplus on sale of assets	17.34	19.17
Surplus on sale/redemption of current investments	239.09	23.19
	256.43	42.36
Net Profit in terms of Section 349	6533.46	7880.88
Maximum managerial remuneration payable in accordance with section 309(3) @ 10%	653.35	788.09
Commission payable to managerial personnel :		
- Rs. in lakhs	303.80	275.83
- Percentage of the Net Profit computed above	4.65%	3.50%
(b) Profit and Loss Account includes payments and provisions on account of managerial remuneration for Directors as under:		
(i) Salary	147.00	124.80
(ii) Commission	303.80	275.83
(iii) House Rent & Other Perquisites	142.90	123.68
(iv) Contribution to Superannuation Fund	36.75	31.69
(v) Gratuity	10.41	21.89
	640.86	577.89

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

5. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

- a) There are no Micro and Small enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- b) Disclosure in accordance with Section 22 of the Act read with Notification No. GSR 719(E) dated 16th November 2007 issued by the Ministry of Corporate Affairs : -

Particulars	31.03.2010 Rs. In lakhs	31.03.2009 Rs. In lakhs
a) Principal amount remaining unpaid and interest due thereon	-	-
b) Interest paid in terms of Sec 16	-	-
c) Interest due and payable for the period of delay in payment	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest due and payable even in the succeeding years	-	-

6. The major components of Deferred Tax Asset/(Liability) are set out below:

Component	As on 01.04.2009 (Rs. in Lakhs)	For the Year Ended 31.03.2010 (Rs. in Lakhs)	As on 31.03.2010 (Rs. in Lakhs)
Difference between Book and Tax			
Depreciation	(735.78)	(69.53)	(805.31)
Provision for Doubtful Debts	40.86	13.42	54.28
U/s 43B of the Income Tax Act, 1961	301.26	13.42	314.68
Deferred Tax (Liability)/Asset	<u>(393.66)</u>	<u>(42.69)</u>	<u>(436.34)</u>

7. Disclosure pursuant to Accounting Standard - 15 : Employee Benefits

	2009-2010 Rs. in lakhs		2008-2009 Rs. in lakhs	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Defined Contribution Plans				
The Company has recognised the following amounts in the Profit & Loss Account for the year :				
(1) Contribution to Employees' Provident Fund/ Employees' Family Pension Fund	86.34		85.30	
(2) Contribution to Employees' Superannuation Fund	122.49		139.26	
B Defined Benefit Plan / Long Term Compensated Absences				
(I) Changes in the Present Value of the Defined Benefits Obligation				
(1) Present Value of Defined Benefit Obligation at the beginning of the year	1,484.91	354.84	1,395.24	337.74
(2) Interest Cost	118.79	28.39	111.62	27.01
(3) Current Service Cost	82.86	35.24	95.87	30.03
(4) Benefits paid	(157.71)	(43.34)	(85.25)	(26.53)
(5) Actuarial (Gain)/Loss on Defined Benefit Obligation	(60.22)	(4.19)	(32.57)	(13.41)
(6) Present Value of Defined Benefit Obligation at the end of the year	1,468.64	370.94	1,484.91	354.84

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

	2009-2010		2008-2009	
	Gratuity	Rs. in lakhs Leave Encashment	Gratuity	Rs. in lakhs Leave Encashment
(II) Changes in the Fair Value of Plan Assets				
(1) Fair Value of Plan Assets at the beginning of the year	986.67	-	811.98	-
(2) Expected Return on Plan Assets	83.87	-	69.02	-
(3) Contributions	313.71	43.34	244.73	26.53
(4) Benefits paid	(157.71)	(43.34)	(85.25)	(26.53)
(5) Actuarial Gain/(Loss) on Plan Assets	16.48	-	(53.81)	-
(6) Fair Value of Plan Assets at the end of the year	1,243.02	-	986.67	-
(III) Amounts recognised in the Balance Sheet				
(1) Present Value of Defined Benefit Obligation at the end of the year	1,468.64	370.94	1,484.91	354.84
(2) Fair Value of Plan Assets at the end of the year	(1,243.02)	-	(986.66)	-
(3) Liability to be recognised in the Balance Sheet	225.62	370.94	498.25	354.84
(IV) Balance Sheet Reconciliation				
(1) Net liability at the beginning of the year	498.25	354.84	583.26	337.74
(2) Expense recognised as under	313.71	59.44	159.72	43.63
(3) Contributions as above	(313.71)	(43.34)	(244.73)	(26.53)
(4) Net liability at the end of the year	498.25	370.94	498.25	354.84
(V) Amounts recognised in the Profit & Loss A/c				
(1) Current Service Cost	82.86	35.24	95.87	30.03
(2) Interest Cost on obligation	118.79	28.39	111.62	27.01
(3) Expected Return on plan assets for the period	(83.87)	-	(69.02)	-
(4) Net Actuarial (Gain)/Loss	(76.70)	(4.19)	21.25	(13.41)
(5) Excess Provision carried forward	272.63	-	-	-
(6) Expense Recognised in statement of Profit & Loss A/c	313.71	59.44	159.72	43.63
(VI) Actual Return on Plan Assets				
(1) Expected Return on plan assets for the period	83.87	-	69.02	-
(2) Actuarial Gain/(Loss) on Plan Assets	16.48	-	(53.81)	-
(3) Actual Return on Plan Assets	100.35	-	15.21	-
(VII) Percentage of each category of Plan Assets to total Fair Value of Plan Assets				
(1) Insurer managed fund	100%	-	100.00%	-
(VIII) Actuarial Assumption				
(1) Discount Rate	8.25%	8.25%	8.00%	8.00%
(2) Expected Rate of Return on Plan Assets	8.50%	-	8.50%	-
(3) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.				
(4) The provision in excess of actuarial valuation as on 31.03.2010 has been carried forward in view of impending long term wage agreement and proposed amendment to the Payment of Gratuity Act , 1972				

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

8. Warranty Cost includes expenses in connection with repairs and free replacement of parts during warranty period. The same is determined based on past experience and estimates and are accrued in the year of sale. The detail of the same is as under:

(Rs. in Lakhs)

Carrying amount as on 01.04.2009	Provision made/ Increase in Provision	Amount used during the year	Carrying amount as on 31.03.2010
118.22	76.44	107.08	87.58

9. RELATED PARTY DISCLOSURES:
I. RELATED PARTIES
A. Key Management Personnel.

Mr. Nikhil J. Danani, Vice Chairman & Managing Director
 Mr. Nakul P. Mehta, Vice Chairman & Managing Director
 Mr. Shome N. Danani, Executive Director (son of Mr. Nikhil J. Danani)

B. Relatives of the Key Management Personnel

Mr. Jaisingh R. Danani, a non-executive Director (father of Mr. Nikhil J. Danani)
 Mr. Anand J. Danani, a non-executive Director (brother of Mr. Nikhil J. Danani)
 Ms. Avanti P. Mehta (sister of Mr. Nakul P. Mehta)
 Ms. Sita P. Mehta (sister of Mr. Nakul P. Mehta)

C. Enterprises over which any of (A) or (B) can exercise control or significant influence

Danmet Chemicals Pvt. Ltd.
 Nasivan Investments Pvt. Ltd.
 Gayatri Education, Medical & Research Foundation Pvt. Ltd.

Related parties relationships as stated in I (A) to I (C) above are as identified by the Company and relied upon by the Auditors.

II. TRANSACTIONS WITH RELATED PARTIES

(Rs. in Lakhs)

Nature of transaction	Related Parties					
	Referred in I(A) above		Referred in I(B) above		Referred in I(C) above	
	During the Year	Closing Balance Debit/ Credit(-)	During the Year	Closing Balance Debit/ Credit(-)	During the Year	Closing Balance Debit/ Credit(-)
Remuneration	640.86 (577.89)	— (—)	— (44.10)	— (—)	— (—)	— (—)
Sitting Fee	— (—)	— (—)	0.20 (0.70)	— (—)	— (—)	— (—)
Purchases	— (—)	— (—)	— (—)	— (—)	142.45* (138.51)*	-15.34 (-13.69)
Deposit taken	— (—)	-25.00 (-25.00)	2.00 (2.00)	-2.00 (-2.00)	0.25 (0.25)	-0.25 (-0.25)
Loan taken	— (—)	— (—)	— (—)	— (—)	615.00 (—)	-615.00 (—)
Interest Paid	2.50 (2.50)	— (—)	0.20 (0.18)	— (—)	31.05 (0.03)	-0.03 (-0.03)
Rent Received	— (—)	— (—)	— (—)	— (—)	2.58 (3.20)	— (—)

* from Danmet Chemicals Pvt. Ltd.

a. No amount has been written off or written back during the year ended 31.03.2010.

b. Figures in the brackets are for the previous year.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

10. Detailed Information regarding Goods manufactured, Turnover, Opening Stock, Closing Stock, Raw Materials consumed etc.

(a) (i) Installed Capacities & Actual Production :

Item	Unit	Installed Capacity (*)		Production	
		2009-10	2008-09	2009-10	2008-09
Electric Motors	000 HP	1700	1700	1041	920
Transformers	MVA	13380	11000	11553	7589
Controllers & VFD system	Nos.	250	250	56	33
Pumps	Nos.	10000	10000	-	-
Gearless Machines	Nos.	1250	1250	256	217

(a) (ii) Turnover :

Item	Unit	Quantity (\$)		Value (Rs Lacs)	
		2009-10	2008-09	2009-10	2008-09
Electric Motors	Nos.	130711	114639	15228.81	14403.94
Transformers	Nos.	184	141	47147.44	37881.88
Controllers & VFD system	Nos.	55	27	57.31	38.13
Pumps	Nos.	15	17	0.30	0.06
Gearless Machines	Nos.	234	186	260.21	170.70
Spare parts & Components # #		-	-	813.18	479.21
Services		-	-	235.78	257.97
Traded Pumps	Nos.	1146	1274	51.60	56.31
Traded Inverters	Nos.	183	66	100.10	34.64
Other Electrical Goods # #		-	-	1499.87	1327.40
Maintenance Products		-	-	180.11	160.21
Total				65574.71	54810.45

(a) (iii) Purchases in respect of Goods traded in :

Item	Unit	Quantity		Value (Rs Lacs)	
		2009-10	2008-09	2009-10	2008-09
Traded Pumps	Nos.	968	1022	37.49	41.22
Traded Inverters	Nos.	183	66	73.68	18.50
Other Electrical Goods # #				1222.44	989.40
Maintenance Products				136.58	132.39
Traded Spares				42.71	1.45
Total				1512.90	1182.96

(a) (iv) Inventories :

Item	Unit	As of 31.03.2010		As of 31.03.2009		As of 31.03.2008	
		Quantity	Value (Rs lacs)	Quantity	Value (Rs lacs)	Quantity	Value (Rs lacs)
Electric Motors	Nos.	4746	613.62	8297	837.35	4825	649.42
Transformers	Nos.	6	1206.63	15	3329.45	4	902.91
Controllers & VFD system	Nos.	10	46.85	9	32.02	3	15.95
Pumps	Nos.	7	0.53	22	1.48	39	1.34
Gearless Machines	Nos.	57	46.87	35	30.48	4	3.61
Traded Pumps	Nos.	297	14.48	475	32.09	727	37.33
Maintenance Products			9.38		15.22		12.76
Total			1938.36		4278.09		1623.32

Explanatory Notes:

(1) The Company's products are exempt from licensing requirement under the industrial policy in terms of notification no. S.O. 477 (c) dated 25th July, 1991.

(2) Notations :

* As certified by a Managing Director being a technical matter and accepted by the Auditors as correct.

\$ Includes Captive Consumption, Write offs etc.

These include many items with different quantitative units or ratings.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

	Year ended 31st March,2010		Year ended 31st March,2009	
	Qty. MT.	Value Rupees in Lakhs	Qty. MT.	Value Rupees in Lakhs
(b) Raw Materials and Components Consumed:*				
Group of Items:				
Laminations	5271	11922.08	3369	8453.84
Electrolytic Copper Wires, Strips	3761	13075.79	2452	9658.33
Stampings	**	2013.70	**	1733.09
Hardware and Special Components	**	11662.14	**	9641.03
Others		6570.89		5525.37
		<u>45244.60</u>		<u>35011.66</u>
* Net of Scrap Sales		590.96		511.71
** Since the quantity denominations & type of components are dissimilar in nature, it is impracticable to disclose the quantitative information in respect thereof.				
(c) Value of Raw Materials, Spare Parts and Components consumed				
	%		%	
Raw Materials and Components:				
Imported	3	1167.34	6	2012.33
Indigenous	97	44077.26	94	32999.33
	<u>100</u>	<u>45244.60</u>	<u>100</u>	<u>35011.66</u>
Spare parts:				
Imported	0	0.00	2	0.28
Indigenous	100	23.50	98	16.47
	<u>100</u>	<u>23.50</u>	<u>100.0</u>	<u>16.75</u>
(d) Value of Imports on C.I.F. basis:				
Raw Materials		1645.07		3380.70
Components & Spare parts		0.00		0.42
Capital Goods		33.92		300.31
(e) Expenditure in Foreign				
Currency on Account of:				
Travelling		14.34		10.38
Technical Services Fees		0.00		0.98
Royalty		1.52		0.00
Others		34.59		1.06
(f) Earnings in Foreign Exchange:				
Direct Exports on F.O.B. basis		199.12		104.78
(g) Deemed Exports		5552.77		9811.69
(h) Net amount remitted during the year in Foreign Currencies on account of Dividends		Nil		Nil
Number of Non-resident Shareholders		Nil		Nil
Number of Shares held by Non-resident on which Dividend were due		Nil		Nil
Year for which due		2008-2009		2007-2008

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE O (Contd.)

11. Foreign currency exposures not hedged at the close of the year.

Nature of Transaction	Currency	31st March,2010	31st March,2009
Trade Payable	USD	—	922430
	EUR	37392	381146
Trade Receivable	USD	—	—
	EUR	—	99425

12. The Company has only one reportable business segment viz. "Industrial Products" in terms of the Accounting Standard - 17 on "Segment Reporting". The Company mainly operates in the domestic market and hence there is no reportable secondary segment.

13. Previous Year's figures have been regrouped wherever necessary.

As per our attached report of even date.
For and on behalf of DALAL & SHAH,
Firm Registration No. 102021W
Chartered Accountants,

Shishir Dalal
Partner
Membership No. 37310

D. N. Nagarkar
Company Secretary & Senior General Manager :
Legal

S. B. Godbole
Vice President
Finance

Mumbai, 6th May, 2010

Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen &
Managing Directors

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 6th May, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details	5 0 1 7	State Code	0 1 1
Balance Sheet Date	3 1 0 3 2 0 1 0		
II Capital raised during the year (Amount in Rs. Thousands)			
* Public Issue	N I L	* Right Issue	N I L
* Bonus Issue	N I L	* Private Placement	N I L
III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Sources of Funds	Total Liabilities	Total Asset	
	4 2 6 9 2 2 8	4 2 6 9 2 2 8	
	Paid-up Capital	Reserves & Surplus	
	5 6 5 1 6	2 1 8 5 9 2 3	
Application of Funds	Secured Loans	Unsecured Loans	
	0 0 0 0 0	2 8 0 7 5 8	
	Net Fixed Assets	Investment	
	7 3 2 0 3 6	5 6 7 1 4 5	
	Net Current Assets	Miscellaneous Expenditure	
	1 2 6 7 6 5 0	N I L	
	Accumulated Losses		
	N I L		
IV Performance of Company (Amount in Rs. Thousands)			
Turnover	6 5 5 1 4 2 9	Total Expenditure	5 9 9 9 5 1 0
+/- Profit/Loss Before Tax	+ 6 0 9 5 9 6	+/- Profit/Loss After Tax	+ 4 1 2 2 3 5
Earnings per Share in Rs.	7 3	Dividend Rate %	2 5 0
V Generic Names of Two Principal Products/Services of Company (as per monetary terms)			
Item Code No.	8 5 . 0 1		
Product Description	E L E C T R I C M O T O R S		
Item Code No.	8 5 . 0 4		
Product Description	E L E C T R I C T R A N S F O R M E R S		

D. N. Nagarkar
Company Secretary & Senior General Manager :
Legal

S. B. Godbole
Vice President
Finance

Nikhil J. Danani }
Nakul P. Mehta } Vice Chairmen &
Managing Directors

Shome N. Danani Executive Director

Mukul Harkisondass }
Sanjiv N. Shah } Directors

Mumbai, 6th May, 2010



Bharat Bijlee Limited

Registered Office: Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To,
The Depository Participant Concerned

To
Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai-400 078

(IN CASE OF ELECTRONIC HOLDING ONLY)

(IN CASE OF PHYSICAL HOLDING ONLY)

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND (BHARAT BIJLEE LTD.)

Please fill in the information in CAPITAL LETTERS in ENGLISH only. Please TICK wherever applicable.

1. For Shares held in Physical Form

Master Folio No.

2. For Shares held in Electronic Form

[Shareholders holding shares in Electronic Form should forward this form to their respective Depository Participant].

DP ID

Client ID

3. Shareholder's Name Shri/Smt./Kum./Ms. _____

4. Shareholders Address _____

5. Particulars of Bank	
Bank Name	
Branch Name & Address	
Branch Code	<input type="text"/>

(9 Digits Code Number appearing on the MICR Band of the Cheque supplied by the Bank. Please attach a xerox copy of a Cheque or a Blank Cheque of your Bank duly cancelled for ensuring accuracy of the Bank Name, Branch Name and Code Numbers).

Account type	<input type="text"/>	Savings	<input type="text"/>	Current	<input type="text"/>	Cash Credit	<input type="text"/>
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A/c. No. (As appearing in the Cheque Book)

6. Date from which the mandate should be effective:

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place:

Member's Signature



Bharat Bijlee Limited

Registered Office: Electric Mansion, 6th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

ATTENDANCE SLIP

TO BE COMPLETED AND HANDED OVER AT THE ENTRANCE TO THE AUDITORIUM

I hereby record my presence at the 63rd ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber Building, Veer Nariman Road, Churchgate, Mumbai 400 020, on Friday, 25th June, 2010 at 3.00 p.m.

Folio No DP ID NO..... CLIENT ID NO

Name

Member/Proxy

Signature



Bharat Bijlee Limited

FORM OF PROXY

Folio No DP ID NO..... CLIENT ID NO NO. OF SHARES.....

I/We.....

of.....

..... being a member/members of the above named Company hereby appoint

of.....

or failing him.....

of.....

..... as my/our proxy

to vote for me/us on my/our behalf at the 63rd ANNUAL GENERAL MEETING of the Company to be held on Friday, 25th June, 2010 at 3.00 p.m. and at any adjournment thereof.

Signed this day of 2010

Affix
Revenue
Stamp

(Signature of Member)

NOTES:

- (a) The form should be signed across the stamp as per specimen signature registered with the Company.
- (b) The Companies Act, 1956, lays down that the instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time fixed for holding the meeting.
- (c) A proxy need not be a member.



Bharat Bijlee Limited

Electric Mansion 6th Floor; Appasaheb Marathe Marg
Prabhadevi Mumbai 400025

www.bharatbijlee.com